

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2010

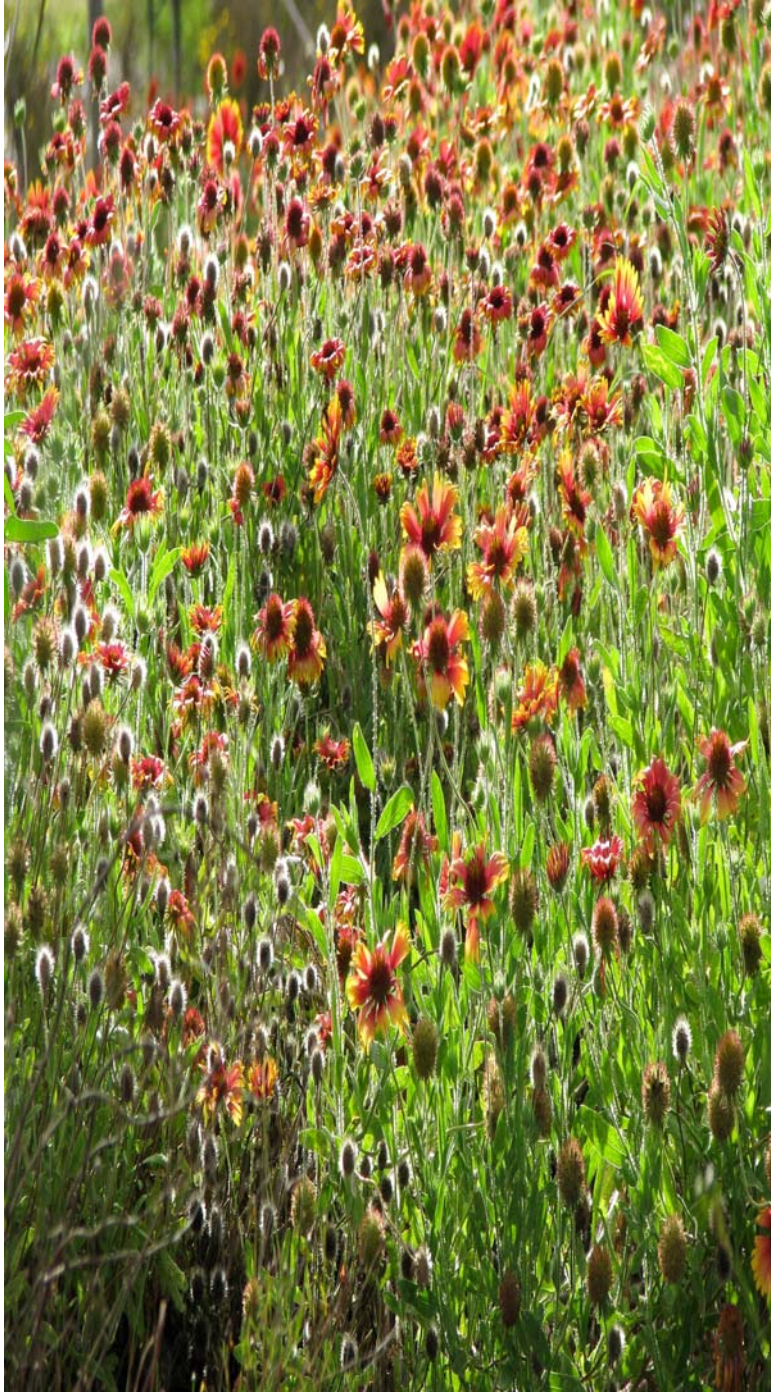


TOWN OF SOUTHWEST RANCHES, FLORIDA



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
TOWN OF SOUTHWEST RANCHES, FLORIDA
SEPTEMBER 30, 2010

PREPARED BY:
TOWN ADMINISTRATION
6589 SW 160 AVENUE
SOUTHWEST RANCHES, FL 33331
TEL (954) 434-0008 FAX (954) 434-1490



“THE VISION OF THE TOWN
OF SOUTHWEST RANCHES IS TO
ENHANCE AND PRESERVE THE
UNIQUE RURAL CHARACTER OF ITS
COMMUNITY.

THE TOWN SHALL PROMOTE,
MAINTAIN AND PROTECT ITS
AGRICULTURAL, RESIDENTIAL AND
EQUESTRIAN LIFESTYLES,
SENSITIVE TO THE NATURAL
ENVIRONMENT.

MOTTO

“PRESERVING OUR RURAL
LIFESTYLE”



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INTRODUCTORY SECTION



Town of Southwest Ranches

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Southwest Ranches, FL 33331
Phone: (954) 434-0008
Fax: (954) 434-1490
www.southwestranches.org

April 13, 2011

Mayor Jeff Nelson
Vice Mayor Aster Knight
Council Member Steve Breitkreuz
Council Member Freddy Fisikelli
Council Member Doug McKay

Dear Mayor, Vice Mayor, and Council Members:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the Town of Southwest Ranches, Florida (the "Town"), for the fiscal year that ended September 30, 2010, pursuant to Section 218.39 of the Florida Statutes and Town Charter. The financial statements included in this report conform to the Generally Accepted Accounting Principles (GAAP) in the United States as prescribed by the Governmental Accounting Standards Board (GASB). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. The financial statements have been audited by Keefe, McCullough & Co., LLP, Certified Public Accountants. The independent auditors have issued an unqualified opinion that this report fairly represents the financial position of the Town and complies with all reporting standards noted above. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The management of Southwest Ranches assumes full responsibility for the completeness and reliability of all the information presented in this report. The Town has established an internal control framework to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with Accounting Principles Generally Accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

Profile of the Government

The Town was incorporated on June 6, 2000. The Town's current Charter was amended by the citizens on November 4, 2003, on November 7, 2006 and there is currently a Charter Review

Mayor Jeff Nelson • Vice Mayor Aster Knight
Council Member Steve Breitkreuz • Council Member Freddy Fisikelli • Council Member Doug McKay

Committee established. The Town operates under the Council-Administrator form of government where the Mayor and four Council Members must live in residential districts and are elected at large. The Town Council determines the policies that guide the Town's operations. The Town contracts for all major Town services including police, fire, building inspections, and planning, as well as Town Administrator and Financial Administrator. The Town has two part-time and seven full-time employees to administer all contracts and daily operations of the Town.

In accordance with GASB 14 entitled "The Financial Reporting Entity," the Town must include in its report any entity over which the Town has ultimate financial accountability. For fiscal year 2010, the Southwest Ranches Volunteer Fire Department has been included in this report as a blended component unit.

Southwest Ranches provides basic municipal services including fire, emergency medical services, law enforcement, parks and recreation, solid waste collection, code enforcement, and general government services. The Town will be the home to many wonderful parks which are designed to "Preserve Our Rural Lifestyle." The Town has acquired 153 acres of land for open space needs. These acres of land were acquired through grants from the County and the State with minimal cost to the residents of the Town. In addition, our residents "homestead" on minimum one acre sites. We are horse country and most of the homes in the Town are, indeed, ranches. The Town has no sidewalks, street lights or large developments. For many, the closest neighbors are peacocks, possums, foxes and turtles, to name just a few.

Economic Condition and Outlook

The Town of Southwest Ranches comprises approximately thirteen (13) square miles and is located in the southwest portion of Broward County, a major metropolitan area. The Town is located between the two major urban cities, Pembroke Pines (population 152,090) and Weston (population 62,233). Both of the neighboring cities provide a wealth of attractions and business for use by the residents of the Town. The residents benefit from this close association with the urban neighbors because the Town does not need to provide for these services. The economics of the Town are not focused on the development of a commercial or business base. Southwest Ranches is primarily a residential community. We are expected to reach build out in the Town within the next ten years with a population of 11,000. Based on the 2000 census, the Town's population was 7,203. Diversity of the Town, at that time, was 4,343 of the residents being Caucasian, 220 African-American, 1,390 of Hispanic descent and 1,250 in other races. Interestingly, of the 7,203 persons living in Southwest Ranches, the median age was 37.8 with 2,048 residents under the age of 18 years. The Bureau of Economics and Business Research, Population Division, University of Florida, estimated the 2010 population to be 8,570; however, 2010 census data has been released and the Town's population is 7,345. The Town expects the 2010 census to have similar diversity statistics.

The Town of Southwest Ranches has suffered from a weak economy and declining real estate values as all other governments in Florida and in the nation; however, the Town has weathered this business cycle better than other communities due to the composition of its economy. Specifically, the Town of Southwest Ranches is primarily a single family estate residential community.

In 2010, the Town of Southwest Ranches experienced a relatively modest 5.6% decline in assessed valuation while the tax base of surrounding communities declined significantly. This is substantially less than declines expected for surrounding communities with large commercial and industrial bases.

Financial Information and Major Initiatives

The Town of Southwest Ranches has maintained a desirable quality of life and is poised to retain and recover its economic foundation which is based on its unique rural lifestyle in a major metropolitan area. The Town has already launched several initiatives which will enhance its long-term fiscal sustainability during the current fiscal year and will continue to search out new revenue streams and cost-saving opportunities.

The Town is analyzing every aspect of its current operations to ensure that maximum efficiency and cost effectiveness are being realized. One important component of this activity is the recalibrating of its fire assessment and solid waste assessment fees. Both of these assessments have been reviewed by outside consultants to ensure the fairness and accuracy of these fees and will be brought forward to the Town Council this summer.

The Town is currently rebidding many of its existing contracts including hurricane debris removal and debris monitoring; garbage removal; road repaving and pot hole repair to ensure the Town has the most competitive and valued vendors. The Town is also reviewing its fire service contract and the way in which these services will be offered in the next fiscal year.

In addition, the Town has tightened up its code enforcement activities to exert greater control over its solid waste tonnage and content. This “flow control” will assist the Town in its efforts to achieve cost savings in its solid waste activities by reducing needless duplication of services. Also, this activity will reduce the amount of tonnage being disposed and reduce fees and the contract amount accordingly. This is one example of a contract that the Town is preparing early to rebid. The Town’s existing contract with Waste Management expires in September, 2012 and staff are beginning now to ensure the bid has all the necessary requirements to provide a competitive contract and service to our residents.

The Town of Southwest Ranches has acted decisively to protect property values in the Town’s western area. After experiencing flooding, the Town negotiated a Memorandum of Understanding to establish a pilot project with the South Florida Water Management District, the South Broward Drainage District and the State of Florida Department of Agriculture in 2010. This innovative agreement addresses flooding problems and water quality issues. This year an educational component has been added to encourage resident businesses to voluntarily comply with BMP (Best Management Practices) standards.

The Town has continued its 2009 mission of investing in infrastructure and many projects are now coming to fruition, including the reroofing of the barn; the purchase and renovation of a new Town Hall; the completion of phase 1 road repaving and the installation of sluice (drainage) gates to help monitor canal levels and reduce flooding impacts. In 2011, this will continue to be a mission-

important goal and the Town will continue to offer high levels of service to maintain and enhance the quality of life that our residents have come to expect.

The Town of Southwest Ranches activities in the area of fire services, solid waste and water management and vendor selection will further enhance the financial sustainability and quality of life for the Town's residents and position the community to recover from the current economic downturn as quickly as possible.

The finances of the Town are sound as indicated by this report. Every effort is being made to ensure that financial management remains a priority of the Town and procedures are put in place to promote transparency in government and sound financial and operational practices. We will prepare ourselves for the challenges ahead and work with the community to live within our means.

Financial Planning

The Town of Southwest Ranches has made it a policy to establish reserve funds to offset unanticipated expenditures and ensure that a funding source exists in the event of a continuation of current economic conditions. The General Fund has an unreserved fund balance equal to 23% of the 2010 General Fund operations budget. Grant funds are used strictly for non-recurring expenditures. The Town has sought to reduce grant conditions that required additional capital construction costs and has avoided any new commitments that require long-term expenditures.

Relevant Financial Policies

The Town adheres to several financial policies that impact daily operations and the current period's financial statements. The Town's budgetary and financial policies provide the basic framework for the overall fiscal management of the Town. The following policies were used in the development of current activities.

Revenue Policy:

The Town maintains a diversified revenue system to avoid reliance on property taxes. Charges for services are being provided at full cost recovery for services for individual users. One time revenue will never be used for ongoing operating costs.

Debt Policy:

The Town reviews and evaluates its existing obligations and future borrowing needs regularly. The Town, when necessary, will only issue debt for capital projects. During fiscal year 2010, the Town borrowed \$439,139 from a non-revolving line of credit to fund drainage improvements.

Independent Audit

In accordance with Florida Statutes Section 218.39, the Town has engaged the firm of Keefe, McCullough & Co., LLP to perform the independent audit of the Town's financial statements. The

Independent Auditors' Report is included in the financial section of this Comprehensive Annual Financial Report.

Awards

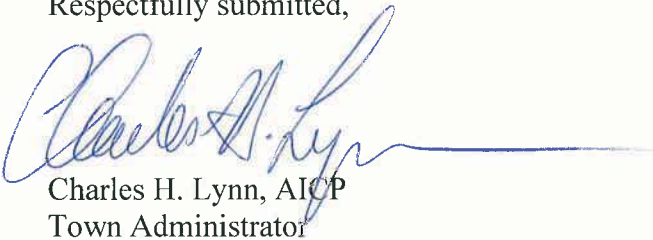
The Town has applied for and was awarded the Certificate of Achievement for Excellence in Financial Reporting awarded by the Governmental Finance Officers Association (GFOA) of the United States and Canada for the Town's first ever CAFR in 2003 and again in 2005, 2007, 2008 and 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for the certificate.

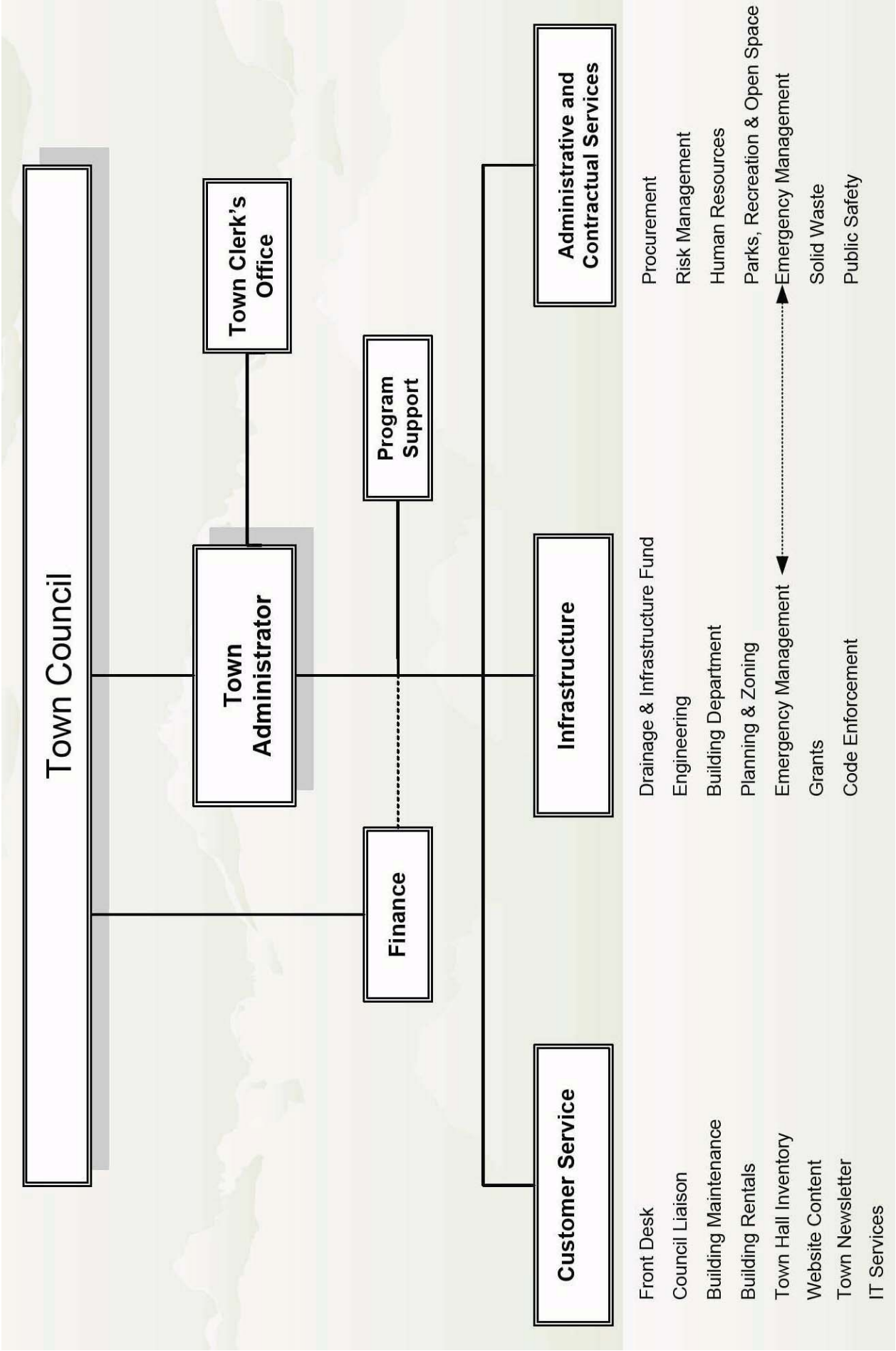
Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Town and the Town's auditing firm, Keefe, McCullough & Co., LLP. We express our appreciation to them for their interest and support in planning and conducting the audit of the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,



Charles H. Lynn, AICP
Town Administrator



Town of Southwest Ranches, Florida
Council Administrator Form of Government
List of Principal Officials

Town Charter approved by a majority of qualified voters of the Town on June 6, 2000

TOWN COUNCIL



JEFF NELSON
Mayor



ASTER KNIGHT
Vice Mayor



FREDDY FISIKELLI
Council Member



STEVE BREITKREUZ
Council Member



DOUG MCKAY
Council Member

TOWN ADMINISTRATION

TOWN ADMINISTRATOR
Charles H. Lynn, AICP

TOWN ATTORNEY
Keith Poliakoff

TOWN FINANCIAL ADMINISTRATOR
Jean Watson

TOWN CLERK
Debra Doré-Thomas, CMC

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Southwest Ranches
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Vice Mayor, Town Council Members and Town Administrator
Town of Southwest Ranches, Florida
Southwest Ranches, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Town of Southwest Ranches, Florida (the "Town"), as of and for the year ended September 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2010, and the respective changes in financial position and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2011, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Town of Southwest Ranches, Florida

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Southwest Ranches, Florida's financial statements as a whole. The introductory section, budgetary comparison information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison information is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide an assurance on it.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
April 13, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010

As management of the Town of Southwest Ranches, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal years ended September 30, 2010 and 2009. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, the Town's financial statements and the other required supplemental information.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. The information contained within this section should be considered only as a part of a greater whole.

FINANCIAL HIGHLIGHTS

The following are highlights of financial activity for the fiscal year ending September 30, 2010:

- The assets of the Town of Southwest Ranches exceeded its liabilities at the close of the fiscal year by \$ 48,396,476 (net assets). Of this amount, \$ 44,607,660 is invested in capital assets, net of related debt, \$ 728,064 is restricted and \$ 3,060,752 is unrestricted.
- The Town's total net assets decreased by \$ 347,416 during the 2010 fiscal year. Net assets of the Town's governmental activities decreased by \$ 591,971 while the business-type activities increased by \$ 244,555.
- During the year, the General Fund had revenues that were \$ 89,627 more than the \$ 9,446,001 of expenditures and other financing uses for governmental programs.
- The General Fund's fund balance increased by \$ 89,627 as of September 30, 2010. At the end of the fiscal year, unreserved fund balance for the General Fund was \$ 1,910,184 or 23% of the total General Fund expenditures.
- The Town's total debt increased \$ 310,244 to a total of \$ 7,334,149. Total debt includes bonds, notes payable and a nonrevolving line of credit of \$ 7,258,326 and a capital lease payable for \$ 75,823. The Debt Service Fund has \$ 528,242 designated at the end of the 2010 fiscal year to make debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - *management's discussion and analysis* (this section), the *basic financial statements and the required supplementary information*. The basic financial statements include two kinds of statements that present different views of the Town:

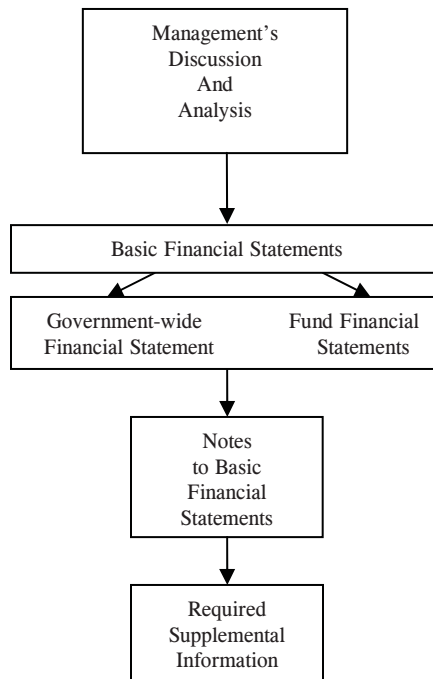
- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.
- The *governmental fund* statements show how general government services financed in the short term as well as what remains for future spending.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010

- The proprietary funds statements offer short-term and long-term financial information about activities that the government operates like a business, such as the solid waste services.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and are related to one another.

Figure 1
Required Components of the
Basic Financial Statements and Other Schedules



Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Southwest Ranches' finances, in a manner similar to private-sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town of Southwest Ranches is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in a future fiscal period (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The government activities of the Town of Southwest Ranches include fire and rescue, police services, public works, parks and recreation, code enforcement, roadways and general government services. The business-type activities of the Town include the solid waste services.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010

The government-wide financial statements include not only the Town of Southwest Ranches, Florida itself, known as the primary government, but also a legally separate tax-exempt organization for which the Town is financially responsible. This unit, Volunteer Fire Department, functions as a sub unit of the Town, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 12 through 14 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Southwest Ranches, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Southwest Ranches can be divided into two categories: governmental funds and a proprietary fund.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The Town of Southwest Ranches maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances for the General Fund, Transportation Fund, Volunteer Fire Department, Debt Service Fund and the Capital Projects Fund, which are considered to be major funds. The basic governmental funds financial statements can be found on pages 15 through 19 of this report.

Proprietary fund. The Town maintains one proprietary fund, the Solid Waste Fund. Enterprise funds are used to report business-type activities in the government-wide financial statements. The Town uses its enterprise fund to account for solid waste collection and disposal services. The Town has no internal service funds, which are funds used to accumulate and internally allocate costs between various government departments.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The Town's Solid Waste Fund is considered a major fund and the basic financial statements for the fund are provided on pages 20 through 22 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 to 36 of this report.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of net assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net Assets summary presentation as reflected below:

1. *Net results of activities* will impact (increase/decrease) current assets and unrestricted net assets.
2. *Borrowing for capital* will increase current assets and long-term debt.
3. *Spending borrowed proceeds on new capital assets* will reduce current assets and increase capital assets. In addition, there is a second impact, an increase in capital assets and an increase in related net debt which will not change the investment in capital assets, net of related debt.
4. *Spending of nonborrowed current assets on new capital assets* will reduce current assets, increase capital assets, reduce unrestricted net assets, and increase investment in capital assets, net of related debt.
5. *Principal payments on debt* will reduce current assets, reduce long-term debt, reduce unrestricted net assets, and increase investment in capital assets, net of related debt.
6. *Reduction of capital assets through depreciation* will reduce capital assets and investment in capital assets, net of related debt.

The Town's net assets decreased to \$ 48,396,476 between fiscal years 2010 and 2009 (see Table 1). However, a large portion of the net assets (92.2 percent) is invested in capital assets, net of related debt (land, buildings and equipment, etc.). The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
TOWN OF SOUTHWEST RANCHES, FLORIDA
NET ASSETS

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
CURRENT AND OTHER ASSETS	\$ 4,147,487	\$ 5,267,793	\$ 360,452	\$ -	\$ 4,507,939	\$ 5,267,793
CAPITAL ASSETS	51,941,809	50,828,238	-	-	51,941,809	50,828,238
Total assets	<u>56,089,296</u>	<u>56,096,031</u>	<u>360,452</u>	<u>-</u>	<u>56,449,748</u>	<u>56,096,031</u>
OTHER LIABILITIES	603,226	465,796	115,897	-	719,123	465,796
LONG-TERM DEBT OUTSTANDING	7,334,149	7,003,294	-	-	7,334,149	7,003,294
Total liabilities	<u>7,937,375</u>	<u>7,469,090</u>	<u>115,897</u>	<u>-</u>	<u>8,053,272</u>	<u>7,469,090</u>
NET ASSETS:						
Invested in capital assets, net of related debt	44,607,660	43,824,944	-	-	44,607,660	43,824,944
Restricted	728,064	315,335	-	-	728,064	315,335
Unrestricted	<u>2,816,197</u>	<u>4,486,662</u>	<u>244,555</u>	<u>-</u>	<u>3,060,752</u>	<u>4,486,662</u>
Total net assets	<u>\$ 48,151,921</u>	<u>\$ 48,626,941</u>	<u>\$ 244,555</u>	<u>\$ -</u>	<u>\$ 48,396,476</u>	<u>\$ 48,626,941</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010

A portion of the Town's net assets (\$ 44,607,660 or 92.2%) represents resources that are invested in the Town's capital assets. An additional portion of net assets (\$ 728,064 or 1.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$ 3,060,752 or 6.3%) may be used to meet the Town's ongoing obligations to citizens and creditors. During the 2010 fiscal year, invested in capital assets increased by \$ 782,716; restricted net assets increased by \$ 412,729; however, unrestricted net assets decreased by \$ 1,425,910. At the end of the current fiscal year, the Town of Southwest Ranches is able to report positive balances in its three categories of net assets, both for the government as a whole, as well as for its separate governmental activities and business-type activities.

Summary of changes in net assets. The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenues:

1. *Economic condition* can reflect a declining, stable or growing environment and has a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
2. The Town Council has significant authority to set *increases or decreases in Town's millage rates* and user fees.
3. *Changing patterns in intergovernmental and grant revenues* (both recurring and nonrecurring) can significantly change and impact annual comparisons.
4. *Market impacts on investment income* may cause investment revenues to fluctuate from the prior year. The market is very volatile at this time and this volatility is having a negative impact on the interest earned on investments.

Some other basic impacts on expenses are reflected below:

1. *Introduction of new programs* can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
2. *Changes in service demand levels* can cause the Town to increase or decrease spending on contracted services.

Governmental Activities

The Town's governmental revenues decreased by 6.8% to \$ 9,979,616 (see Table 2). The significant decrease in total revenue is due to the Town moving the reporting of its solid waste services from governmental activities to business-type activities in the current year. After removing the effect of this reclassification, the governmental revenues actually increased approximately 8.7% due to grant revenue for water control structures and drainage improvements and increased assessment revenue for fire services. Over 45.8% of the Town's governmental revenues come from property taxes, 24.9% from fees charged for services, 22.2% from intergovernmental revenue and other state regulated taxes, 5.5% from grants and contributions and 1.6% from other revenue sources.

Governmental expenses totaled \$ 10,571,587, with the largest expense for public safety at \$ 6.2 million or 58.7% of total governmental expenses. After removing the effect of the solid waste services from prior year expenses, governmental expenses increased 6.3%, with the largest increases being in public safety and transportation.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010

Business-type Activities

Business-type activities increased the Town's net assets by \$ 244,555. Since this is the first year that the Town has reported business-type activities, future years will provide a basis for comparison.

Table 2
TOWN OF SOUTHWEST RANCHES, FLORIDA
CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
REVENUES:						
Program revenue:						
Operating grants and contributions	\$ 269,781	\$ 196,192	\$ -	\$ -	\$ 269,781	\$ 196,192
Capital grants and contributions	280,521	11,342	-	-	280,521	11,342
Charges for services	2,483,865	3,572,601	1,651,805	-	4,135,670	3,572,601
General revenues:						
Ad valorem taxes	4,574,566	4,527,435	-	-	4,574,566	4,527,435
Other taxes	1,665,513	1,761,248	-	-	1,665,513	1,761,248
Intergovernmental	547,048	546,154	-	-	547,048	546,154
Investment income	90,149	53,342	10,118	-	100,267	53,342
Miscellaneous	68,173	43,700	-	-	68,173	43,700
Total revenues	9,979,616	10,712,014	1,661,923	-	11,641,539	10,712,014
EXPENSES:						
General government	1,624,918	1,380,331	-	-	1,624,918	1,380,331
Public safety	6,207,667	5,609,400	-	-	6,207,667	5,609,400
Parks and recreation	387,510	502,143	-	-	387,510	502,143
Public works	-	1,900,861	-	-	-	1,900,861
Roadways	751,754	253,394	-	-	751,754	253,394
Community services	1,313,271	1,446,553	-	-	1,313,271	1,446,553
Interest and other debt service costs	286,467	280,961	-	-	286,467	280,961
Solid waste	-	-	1,417,368	-	1,417,368	-
Total expenses	10,571,587	11,373,643	1,417,368	-	11,988,955	11,373,643
EXTRAORDINARY ITEM:						
Impairment of a capital asset	-	(60,676)	-	-	-	(60,676)
Change in net assets	\$ (591,971)	\$ (722,305)	\$ 244,555	\$ -	\$ (347,416)	\$ (722,305)

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of government's net resources available for spending at the end of the year.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010

The General Fund is the Town's chief operating fund. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$ 1,910,184 while the total fund balance was \$ 2,093,139. As a measure of the General Fund's liquidity, it may be useful to compare both the unreserved fund balance and total fund balance to total general fund expenditures. Unreserved fund balance represents 23% of total general fund expenditures, while total fund balance represents 25% of that same amount.

The fund balance of the Town's General Fund increased by \$ 89,627 during the current fiscal year. Key factors of this increase are as follows:

Fire assessment revenues increased approximately \$ 235,000.

Grant revenues increased approximately \$ 142,000 due to grants from FEMA and Broward County for Rolling Oaks Park and Southwest Meadows Sanctuary Park.

Licenses and permit revenues decreased approximately \$ 258,000 due to the economy.

Community services expenditures which include building permit, planning and zoning expenditures decreased approximately \$ 544,000 due to the economy.

Town attorney expenditures increased approximately \$ 165,000.

Transfer to other funds increased approximately \$ 329,000.

The fund balance of the Transportation Fund increased approximately \$ 349,000. This was mainly due to the transfer of \$ 400,000 from the General Fund because the loan proceeds were spent on roadway projects.

The Volunteer Fire Department (Department) is a new fund of the Town due to the Department becoming a blended component unit of the Town when the members of the Town Council became the Board of Directors of the Department. The Department has an ending fund balance of \$ 38,625.

The fund balance of the Debt Service Fund decreased approximately \$ 1,750,000 due to the transfer of funds to the Capital Project Fund in order to purchase a new Town Hall building.

General Fund Budgetary Highlights

During the year, the original budget was amended to reallocate certain expenditures. The total expenditures did not change and approximately \$ 217,000 was taken from the community services budget and reallocated to general government and fire.

Total revenues were under budget estimates, while total expenditures were less than budgetary estimates which resulted in a negative variance in the net change in fund balance of approximately \$ 62,000.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010

Capital Assets

As of September 30, 2010, the Town's investment in capital assets amounted to \$ 51,941,809 (net of accumulated depreciation). The increase in capital assets during the year was mainly due to the purchase of a Town Hall building which is under renovation at year end. Capital assets held by the Town at the end of the current year are summarized as follows:

TOWN OF SOUTHWEST RANCHES, FLORIDA
CAPITAL ASSETS
(net of accumulated depreciation)

		<u>Governmental</u>	
		<u>Activities</u>	
Land	\$	33,866,540	
Infrastructure		9,298,347	
Construction in progress		5,585,776	
Improvements other than buildings		1,933,255	
Buildings		937,270	
Furniture and equipment		<u>320,621</u>	
Total capital assets, net	\$	<u><u>51,941,809</u></u>	

Additional information on the Town's capital assets can be found in Note 4 on pages 29 and 30.

Debt Administration

At the end of the year, the Town had total debt outstanding of \$ 7,334,149. The majority of this debt is secured by pledged non-ad valorem revenue sources of the Town. Changes in the Town's debt are summarized as follows:

TOWN OF SOUTHWEST RANCHES, FLORIDA
OUTSTANDING DEBT

	<u>Balance</u>		<u>Balance</u>
	<u>October 1,</u>	<u>Additions</u>	<u>September 30,</u>
	<u>2009</u>	<u>Deletions</u>	<u>2010</u>
Notes and loans payable and capital leases	\$ <u>7,023,905</u>	\$ <u>439,140</u>	\$ <u>(128,896)</u>
			\$ <u><u>7,591,941</u></u>

Additional information on the Town's debt can be found in Note 7 on pages 31 through 33 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town adopted a balanced budget for 2011 at 3.9404 mills which did not increase taxes from the previous year. The comprehensive budget, including all funds and transfers, is \$ 11,979,740, approximately a 9% reduction from fiscal year 2010. The biggest change from 2010 to 2011 occurs in the General Fund. The General Fund revenues were projected to decrease by \$ 812,013 from the 2010 budget. In order to balance the budget, the Town worked diligently to improve efficiencies and ensure the budget and organizational structure is streamlined while still providing quality services to residents.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010

Requests for Information

This financial report is designed to provide a general overview of the Town of Southwest Ranches' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Town Administrator, 6589 S.W. 160th Avenue, Southwest Ranches, Florida 33331.

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BASIC FINANCIAL STATEMENTS

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash, cash equivalents and investments	\$ 3,311,904	\$ 347,049	\$ 3,658,953
Receivables - net	593,655	13,403	607,058
Prepaid items	32,207	-	32,207
Tree inventory	138,848	-	138,848
Other assets	40,001	-	40,001
Capital assets:			
Land and construction in progress	39,452,316	-	39,452,316
Other (net of accumulated depreciation)	12,489,493	-	12,489,493
Unamortized debt issuance costs	30,872	-	30,872
	<u>56,089,296</u>	<u>360,452</u>	<u>56,449,748</u>
Total assets			
LIABILITIES:			
Accounts payable	453,293	114,579	567,872
Accrued payroll liabilities	17,533	1,318	18,851
Accrued interest payable	88,990	-	88,990
Unearned revenue	43,410	-	43,410
Noncurrent liabilities:			
Due within one year	132,400	-	132,400
Due in more than one year	7,201,749	-	7,201,749
	<u>7,937,375</u>	<u>115,897</u>	<u>8,053,272</u>
Total liabilities			
NET ASSETS:			
Invested in capital assets, net of related debt	44,607,660	-	44,607,660
Restricted for:			
Transportation	647,258	-	647,258
Town Hall brick program	15,000	-	15,000
Public safety	40,806	-	40,806
Rolling Oaks barn roof	25,000	-	25,000
Unrestricted	2,816,197	244,555	3,060,752
	<u>48,151,921</u>	<u>244,555</u>	<u>48,396,476</u>
Total net assets			

The accompanying notes to basic financial statements are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 1,624,918	\$ 155,437	\$ -	\$ -
Public safety	6,207,667	1,527,184	-	4,999
Parks and recreation	387,510	-	-	93,500
Roadways	751,754	-	269,781	182,022
Community services	1,313,271	801,244	-	-
Interest and other debt service costs	286,467	-	-	-
Total governmental activities	10,571,587	2,483,865	269,781	280,521
Business-type activities:				
Solid waste	1,417,368	1,651,805	-	-
Total primary government	\$ 11,988,955	\$ 4,135,670	\$ 269,781	\$ 280,521

General revenues:
Ad-valorem taxes
Franchise fees
Intergovernmental, unrestricted
Utility taxes
Investment income
Miscellaneous

Total general revenues

Change in net assets

Net assets, beginning of year, as restated (Note 12)

Net assets, end of year

The accompanying notes to basic financial statements are an integral part of these statements.

Net (Expense) Revenue and Change in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (1,469,481)	\$ -	\$ (1,469,481)
(4,675,484)	-	(4,675,484)
(294,010)	-	(294,010)
(299,951)	-	(299,951)
(512,027)	-	(512,027)
(286,467)	-	(286,467)
(7,537,420)	-	(7,537,420)
-	234,437	234,437
(7,537,420)	234,437	(7,302,983)
4,574,566	-	4,574,566
1,005,629	-	1,005,629
547,048	-	547,048
659,884	-	659,884
90,149	10,118	100,267
68,173	-	68,173
6,945,449	10,118	6,955,567
(591,971)	244,555	(347,416)
48,743,892	-	48,743,892
\$ 48,151,921	\$ 244,555	\$ 48,396,476

TOWN OF SOUTHWEST RANCHES, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2010

	General Fund	Transportation Fund	Volunteer Fire Department	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:						
Pooled cash, cash equivalents and investments	\$ 1,547,347	\$ 923,849	\$ 29,308	\$ 528,242	\$ 283,158	\$ 3,311,904
Receivables, net	431,853	161,802	-	-	-	593,655
Prepaid items	26,926	-	5,281	-	-	32,207
Due from other funds	-	-	5,475	-	-	5,475
Tree inventory	138,848	-	-	-	-	138,848
Other assets	25,001	-	-	-	15,000	40,001
Total assets	\$ 2,169,975	\$ 1,085,651	\$ 40,064	\$ 528,242	\$ 298,158	\$ 4,122,090
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 55,176	\$ 393,635	\$ 1,439	\$ -	\$ 3,043	\$ 453,293
Accrued payroll liabilities	16,185	1,348	-	-	-	17,533
Due to other funds	5,475	-	-	-	-	5,475
Deferred revenue	-	43,410	-	-	-	43,410
Total liabilities	\$ 76,836	\$ 438,393	\$ 1,439	\$ -	\$ 3,043	\$ 519,711
Fund balances:						
Reserved for:						
Prepaid items	26,926	-	5,281	-	-	32,207
Tree inventory	138,848	-	-	-	-	138,848
Town Hall brick program	15,000	-	-	-	-	15,000
Public safety	2,181	-	-	-	-	2,181
Rolling Oaks barn roof	-	-	-	-	25,000	25,000
Unreserved reported in:						
General Fund:						
Designated for tree preservation	20,877	-	-	-	-	20,877
Undesignated	1,889,307	-	-	-	-	1,889,307
Special Revenue Fund	-	647,258	33,344	-	-	680,602
Debt Service Fund	-	-	-	528,242	-	528,242
Capital Projects Fund:						
Designated for:						
Fire wells	-	-	-	-	80,000	80,000
Public safety building	-	-	-	-	129,750	129,750
Rolling Oaks barn roof	-	-	-	-	60,365	60,365
Total fund balances	\$ 2,093,139	\$ 647,258	\$ 38,625	\$ 528,242	\$ 295,115	\$ 3,602,379
Total liabilities and fund balances	\$ 2,169,975	\$ 1,085,651	\$ 40,064	\$ 528,242	\$ 298,158	\$ 4,122,090

The accompanying notes to basic financial statements are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2010

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 15 \$ 3,602,379

Amounts reported for governmental activities in the statement of net assets are difference because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	\$ 62,735,748	
Less accumulated depreciation	<u>(10,793,939)</u>	51,941,809

Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Deferred charge on debt issuance costs (to be amortized over the life of the debt)	50,120
Less accumulated amortization	<u>(19,248)</u>

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable	(88,990)
Governmental notes and loans payable	(6,819,187)
Line of credit	(439,139)
Capital lease payable	<u>(75,823)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 12 \$ 48,151,921

The accompanying notes to basic financial statements are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended September 30, 2010

	General Fund	Transportation Fund	Volunteer Fire Department	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:						
Ad valorem taxes	\$ 4,574,566	\$ -	\$ -	\$ -	\$ -	\$ 4,574,566
Utility taxes	1,094,070	-	-	-	-	1,094,070
Franchise fees	1,829,260	-	-	-	-	1,829,260
Licenses and permits	499,056	-	-	-	-	499,056
Intergovernmental	694,544	377,806	-	-	-	1,072,350
Charges for services	269,367	-	-	-	-	269,367
Fines and forfeitures	72,892	-	-	-	-	72,892
Physical and economic charges	325,775	-	-	-	-	325,775
Investment income	57,046	3,002	77	25,020	5,004	90,149
Miscellaneous	119,052	-	8,080	-	25,000	152,132
Total revenues	9,535,628	380,808	8,157	25,020	30,004	9,979,617
EXPENDITURES:						
Current:						
General government:						
Town council	77,931	-	-	-	-	77,931
Town administrator	312,639	-	-	-	-	312,639
Finance	275,445	-	-	-	-	275,445
Town attorney	458,307	-	-	-	-	458,307
Town clerk	133,221	-	-	-	-	133,221
Administrative services	351,902	-	-	-	-	351,902
Total general government	1,609,445	-	-	-	-	1,609,445
Public safety:						
Police	2,087,873	-	-	-	-	2,087,873
Fire and rescue services	3,499,833	-	53,565	-	-	3,553,398
Total public safety	5,587,706	-	53,565	-	-	5,641,271

The accompanying notes to basic financial statements are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

(continued)

For the Year Ended September 30, 2010

	General Fund	Transportation Fund	Volunteer Fire Department	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Community services	902,745	-	-	-	-	902,745
Parks and recreation	285,500	-	-	-	-	285,500
Roadways	-	856,243	-	-	-	856,243
Capital outlay	-	-	7,537	-	1,995,407	2,002,944
Debt service:						
Principal	12,596	-	7,682	105,000	-	125,278
Interest and fiscal charges	5,526	14,600	1,235	269,967	-	291,328
Total expenditures	8,403,518	870,843	16,454	374,967	1,995,407	11,714,754
Excess (deficiency) of revenues over expenditures	<u>1,132,110</u>	<u>(490,035)</u>	<u>(61,862)</u>	<u>(349,947)</u>	<u>(1,965,403)</u>	<u>(1,735,137)</u>
OTHER FINANCING SOURCES (USES):						
Loan proceeds	-	439,139	-	-	-	439,139
Transfers in	-	400,000	62,233	500,250	1,983,656	2,946,139
Transfers out	(1,042,483)	-	-	(1,903,656)	-	(2,946,139)
Total other financing sources (uses)	(1,042,483)	839,139	62,233	(1,403,406)	1,983,656	439,139
Net changes in fund balances	89,627	349,104	371	(1,753,353)	18,253	(1,295,998)
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED (NOTE 12)	2,003,512	298,154	38,254	2,281,595	276,862	4,898,377
FUND BALANCES, END OF YEAR	\$ 2,093,139	\$ 647,258	\$ 38,625	\$ 528,242	\$ 295,115	\$ 3,602,379

The accompanying notes to basic financial statements are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

NET CHANGES IN FUND BALANCE - TOTAL
GOVERNMENTAL FUNDS, PAGE 18 \$ (1,295,998)

Amounts reported for governmental activities in the statement of activities are difference because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:

Expenditures for capital outlays	2,621,373
Less current year provision for depreciation	(743,181)

Disposal of construction in progress	(863,929)
--------------------------------------	-----------

The issuance of long-term debt provides current financial resources to governmental funds; however, has no effect on net assets.	(439,139)
--	-----------

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	125,278
--	---------

Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Provision for amortization of original issue premium	4,988
Change in accrued interest payable	2,187
Provision for amortization of debt issuance costs	(2,179)
Provision for amortization of underwriters discount	(1,371)
	(1,371)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 14 \$ (591,971)

The accompanying notes to basic financial statements are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATEMENT OF NET ASSETS - PROPRIETARY FUND
September 30, 2010

	<u>Solid Waste Fund</u>
CURRENT ASSETS:	
Pooled cash, cash equivalents and investments	\$ 347,049
Receivables, net	<u>13,403</u>
Total current assets	<u>\$ 360,452</u>
 LIABILITIES AND NET ASSETS:	
Current liabilities:	
Accounts payable	\$ 114,579
Accrued payroll liabilities	<u>1,318</u>
Total current liabilities	<u>115,897</u>
Net assets:	
Unrestricted	<u>244,555</u>
Total net assets	<u>244,555</u>
Total liabilities and net assets	<u>\$ 360,452</u>

The accompanying notes to basic financial statements are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET ASSETS - PROPRIETARY FUND
For the Year Ended September 30, 2010

	<u>Solid Waste Fund</u>
OPERATING REVENUES:	
Charges for services	\$ <u>1,651,805</u>
OPERATING EXPENSES:	
Personal services	27,770
Other operating expenses	<u>1,389,598</u>
Total operating expenses	<u>1,417,368</u>
Operating income	234,437
NONOPERATING EXPENSES:	
Investment income	<u>10,118</u>
Change in net assets	244,555
NET ASSETS, BEGINNING OF YEAR	<u>-</u>
NET ASSETS, END OF YEAR	\$ <u><u>244,555</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended September 30, 2010

	<u>Solid Waste Fund</u>
Cash flows from operating activities:	
Cash received from customers and users	\$ 1,638,402
Cash paid to suppliers	(1,275,019)
Cash paid to employees	<u>(26,452)</u>
Net cash provided by operating activities	<u>336,931</u>
Cash flows from investing activities:	
Interest received	<u>10,118</u>
Net cash provided by investing activities	10,118
Net increase in cash, cash equivalents and investments	347,049
Cash, cash equivalents and investments, beginning	<u>-</u>
Cash, cash equivalents and investments, ending	<u><u>\$ 347,049</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 234,437
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Increase in receivables, net	(13,403)
Increase in accounts payable	114,579
Increase in accrued payroll liabilities	<u>1,318</u>
Net cash provided by operating activities	<u><u>\$ 336,931</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

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TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the Town of Southwest Ranches, Florida's (the Town) significant accounting policies is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should be read in conjunction with the basic financial statements.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The more significant of the Town's accounting policies are described below.

Financial reporting entity:

The Town is an instrumentality of the State of Florida, incorporated in accordance with House Bill No. 1777 on June 6, 2000, to carry on a centralized government. The Town Council, which is composed of four Council elected members and the elected Mayor, is responsible for legislative and fiscal control of the Town. The Town is governed under a Council/Administrator form of government. A Town Administrator is appointed by the Council and is responsible for administrative and fiscal control of the resources of the Town maintained in the funds.

As required by GAAP, these financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable if the Town Council appoints a voting majority of an organization's governing body and it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial burdens on the Town. Blended component units, although legally separate entities are in substance, part of the Town's operations and so data from this unit is combined with data of the primary government.

The Southwest Ranches Volunteer Fire-Rescue, Inc. (the "Department") became a blended component unit of the Town of Southwest Ranches on January 28, 2010 when the members of the Town Council became the Board of Directors of the Department. The Department is a legally separate, tax-exempt organization that provides for the protection of life and property against fire, disaster, natural catastrophe or other calamity within the town limits of Southwest Ranches. There is no separately issued financial statement for this component unit.

Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, if applicable. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within six months from the end of the current fiscal year, except for property taxes for which the period is sixty days from the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes when levied, franchise fees, utility taxes, charges for services, intergovernmental revenues when eligibility requirements are met and interest associated with the current fiscal period are all considered to be measurable and have been recognized as revenues of the current fiscal period, if available. All other revenue items such as fines and forfeitures and licenses and permits are considered to be measurable and available when cash is received by the Town.

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are charges to customers for sales and services. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets, as applicable. All revenues and expenses that do not meet this definition are reported as nonoperating revenues or expenses.

The Town reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Transportation Fund accounts for the receipt of the Town's portion of the state revenue sharing of the gasoline and local option gas taxes.

The Volunteer Fire Department Fund accounts for the fire protection and prevention services in the Town.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Debt Service Fund accounts for the payment of long-term debt principal and interest.

The Capital Projects Fund accounts for the acquisition of equipment and construction of major capital projects.

The Town reports the following major proprietary fund:

The Solid Waste Fund accounts for the operation of the Town's solid waste collection and disposal services.

The private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's solid waste functions and various other functions of the government, if applicable. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes whose purpose has not been restricted to a specific program.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then, unrestricted resources as they are needed.

Cash and cash equivalents:

The Town maintains a pooled cash account for all funds. This enables the Town to invest large amounts of idle cash for short periods of time and to optimize earnings potential. Equity in pooled cash and cash equivalents represents the amount owned by each fund of the Town.

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Receivable and payables:

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Residual balances, if any, outstanding between the governmental activities and business activities are reported in the government-wide financial statements as "internal balances."

Inventory and prepaids:

Inventory is valued at average cost. Inventory of governmental funds are recorded as expenditures when consumed rather than when purchased.

TOWN OF SOUTHWEST RANCHES, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These accounts are reserved in governmental fund financial statements.

Ad valorem taxes:

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the Town by Broward County on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and state law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the Town. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2010.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$ 10 per \$ 1,000 of assessed taxable valuation). The tax levy of the Town is established by the Town Council and the Broward County Property Appraiser, who incorporates the Town's millage into the total tax levy, which includes the County, County School Board and other agencies tax requirements. The millage rate assessed by the Town for the year ended September 30, 2010 was 3.9404 mills (\$ 3.9404 per \$ 1,000 of taxable assessed valuation).

Capital assets:

Capital assets, which include land, construction in progress, infrastructure, improvements other than buildings, buildings, furniture and equipment, and leasehold improvements, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$ 750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	10-40
Improvements other than buildings	10-20
Buildings	50
Furniture and equipment	5-20
Leasehold improvements	5

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-term obligations:

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable premiums and discounts.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, in the year of issuance. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and principal payments, are reported as debt service expenditures.

Unearned/deferred revenues:

Unearned revenues at the government-wide level, governmental funds and proprietary funds are reported when the City receives resources before it has earned the revenues. Furthermore, governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Fund equity/net assets:

Government-wide and proprietary fund financial statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes, loans, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund financial statements:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 2 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS

The Town does not have a written investment policy; however, it follows Florida Statute 218.415(17) which allows local governments electing not to adopt a written investment policy to invest or reinvest any surplus public funds in their control or possession in:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized statistical rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the United States Treasury.

Deposits

During the year, the Town's pooled cash was held in qualified public depositories. At September 30, 2010, the carrying amount of the Town's bank deposits was \$ 3,095,784. In addition to insurance provided by the Federal Deposit Insurance Corporation ("FDIC"), bank deposits are held in banking institutions approved by the State of Florida, State Treasurer to hold public funds.

Under the Florida Statutes Chapter 280, "Florida Security for Public Deposits Act," the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to a determined percentage of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held.

The percentage of eligible collateral (generally, United States Government and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Since the Town uses only authorized public depositories, all funds deposited with financial institutions are FDIC insured and/or are fully collateralized and treated as insured.

Investments

The Town invests surplus funds in an external investment pool, the Local Governmental Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The SBA previously reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools ("Florida PRIME" and "Fund B").

The Florida PRIME has adopted operating procedures consistent with the requirements for a 2a7-like fund. The Town's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. The Florida PRIME is rated AAAM by Standard and Poors.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 2 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

The Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio. Fund B is not rated by any nationally recognized statistical rating agency.

The Town had the following investments as of September 30, 2010:

Investment	Maturities	Fair Value
Florida PRIME	Weighted average days to maturity is 52 days	\$ 481,114
Fund B	Weighted average life is 7.49 years	\$ 82,055

NOTE 3 - INVENTORY

Inventory consists of trees acquired as a result of the Town's acquisition of a tract of land.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2010 was as follows:

	Balance at October 1, 2009, as restated	Additions	Disposals	Balance at September 30, 2010
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 33,086,540	\$ 780,000	\$ -	\$ 33,866,540
Construction in progress	4,737,028	1,712,677	(863,929)	5,585,776
Total capital assets, not being depreciated	37,823,568	2,492,677	(863,929)	39,452,316
Capital assets, being depreciated:				
Infrastructure	18,348,236	28,323	-	18,376,559
Improvements other than buildings	2,874,523	88,889	-	2,963,412
Buildings	994,808	-	-	994,808
Furniture and equipment	817,492	11,484	-	828,976
Leasehold improvements	119,677	-	-	119,677
Total capital assets being depreciated	23,154,736	128,696	-	23,283,432
Total capital assets	60,978,304	2,621,373	(863,929)	62,735,748

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 4 - CAPITAL ASSETS (continued)

	Balance at October 1, 2009, as restated	<u>Additions</u>	<u>Deletions</u>	Balance at September 30, 2009
Less accumulated depreciation for:				
Infrastructure	8,597,129	481,083	-	9,078,212
Improvements other than buildings	872,069	158,088	-	1,030,157
Buildings	39,108	18,430	-	57,538
Furniture and equipment	424,703	83,652	-	508,355
Leasehold improvements	<u>117,749</u>	<u>1,928</u>	-	<u>119,677</u>
Total accumulated depreciation	<u>10,050,758</u>	<u>743,181</u>	-	<u>10,793,939</u>
Total capital assets, being depreciated, net	<u>13,103,978</u>	<u>(614,485)</u>	-	<u>12,489,493</u>
Governmental activities capital assets, net	\$ <u>50,927,546</u>	\$ <u>1,878,192</u>	\$ <u>(863,929)</u>	\$ <u>51,941,809</u>

Provision for depreciation was charged to functions/programs of the Town as follows:

Transportation	\$ 476,533
Parks and recreation	175,559
Public safety	71,668
General government	<u>19,421</u>
	<u>\$ 743,181</u>

NOTE 5 - RECEIVABLES

Receivables at September 30, 2010 were as follows:

	Taxes and Fees	Grants	Total
General Fund	\$ 363,353	\$ 68,500	\$ 431,853
Transportation Fund	16,523	145,279	161,802
Solid Waste Fund	<u>13,403</u>	-	<u>13,403</u>
	<u>\$ 393,279</u>	<u>\$ 213,779</u>	<u>\$ 607,058</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers during fiscal year 2010 consisted of the following:

	Transfers In	Transfers Out	
General Fund	\$ -	\$ 1,042,483	
Transportation Fund	400,000	-	
Volunteer Fire Department Fund	62,233	-	
Debt Service Fund	500,250	1,903,656	
Capital Projects Fund	1,983,656	-	
	\$ 2,946,139	\$ 2,946,139	

Transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, 2) move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. In addition, the Town transferred \$ 1,903,656 from the Debt Service Fund to the Capital Projects Fund in order to purchase a new Town Hall building and account for the renovations in the Capital Projects Fund.

NOTE 7 - LONG-TERM DEBT

Florida Municipal Loan Council

The Town previously entered into a loan agreement with the Florida Municipal Loan Council (FMLC) funded from proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2001A (the Bonds) for a total of \$ 5,099,752 (\$ 4,985,000 par amount of the Bonds plus a \$ 114,752 re-offering premium). The loan requires semi-annual payments of interest at varying rates on May and November of each fiscal year and principal payment of varying amounts on November of each fiscal year through November 1, 2031. The interest rate at September 30, 2010 was 4.84%. Proceeds of the loan were used for the payoff of outstanding obligations, acquisition of certain parks and recreational land and construction of improvements and recreational facilities. As security for loan repayment, the Town covenants and agrees to appropriate in its annual budget amounts of non-ad valorem revenues sufficient to satisfy its annual debt service requirements under the loan agreement. During 2010, the Town was in compliance with this covenant.

The annual requirements to pay principal and interest on this obligation as of September 30, 2010 are as follows:

Year Ending September 30.	Principal	Interest	Total
2011	\$ 110,000	\$ 210,825	\$ 320,825
2012	115,000	205,200	320,200
2013	120,000	199,325	319,325
2014	125,000	193,044	318,044
2015	135,000	186,219	321,219
2016-2020	780,000	813,363	1,593,363
2021-2025	1,000,000	596,563	1,596,563
2026-2030	1,270,000	315,000	1,585,000
2031-2032	600,000	30,250	630,250
	\$ 4,255,000	\$ 2,749,789	\$ 7,004,789

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 7 - LONG-TERM DEBT (continued)

Florida Local Government Finance Commission

The Town previously entered into pooled commercial paper loan agreement with the Florida Local Government Finance Commission (FLGFC) for total available funds of \$ 13,000,000 to finance the acquisition of property for the Town's capital improvement program. The loan is collateralized by the Town's non-ad valorem revenues. Interest rates fluctuated during the year from 0.28% to 0.40% and were applied and paid monthly on the outstanding note balance. Other loan costs include various administrative fees and draw down costs of \$ 2,000 for each \$ 1,000,000 of draw down. During the year, there were no draw downs. The outstanding balance under this agreement for the year ended September 30, 2010 is \$ 2,500,000 which is due on December 6, 2011.

Promissory Note

The Volunteer Fire-Rescue Department previously entered into a loan agreement with a bank for \$ 40,000 to finance the acquisition of a fire truck. Principal and interest payments are due in monthly payments of \$ 811 through February 2012. The promissory note bears interest at a fixed rate of 7.875%.

Nonrevolving Line of Credit

On April 7, 2010, the Town entered into a line of credit agreement with a bank in an amount not to exceed \$ 2,000,000 for the purpose of financing road improvements and drainage projects in the Town. The note calls for monthly interest payments at 2.75% during the draw period. The principal amount outstanding at the end of the draw period shall be payable monthly, beginning May 7, 2012 in equal payments of principal and interest at 3.95% through April 7, 2022. The Town covenants to budget and appropriate in its annual budget from legally available non-ad valorem revenues in each fiscal year, sufficient moneys to pay the principal and interest on the note. The balance outstanding on the note at September 30, 2010 was \$ 439,140.

Emergency Line of Credit

On August 25, 2010, the Town entered into a revolving line of credit agreement with a bank in an amount not to exceed \$ 3,000,000 for the purpose of expenditures for extraordinary, nonrecurring items the Town desires or needs to undertake subsequent to and as a result of a natural, technological or civil emergency. Monthly interest payments at a variable rate equal to the prime rate will be due on any draws. The outstanding principal of the note plus any accrued and unpaid interest shall be due on June 13, 2013. The Town covenants to budget and appropriate in its annual budget from legally available non-ad valorem revenues in each fiscal year, sufficient moneys to pay the principal and interest on the note. There were no draws on the line of credit during the year ended September 30, 2010.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 7 - LONG-TERM DEBT (continued)

Changes in long-term debt during the year were as follows:

	Balance October 1, 2009, <u>as restated</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, 2010	Due Within One Year
FMLC Revenue Bond	\$ 4,360,000	\$ -	\$ (105,000)	\$ 4,255,000	\$ 110,000
Add amortized reoffering premium	75,671	-	(4,988)	70,683	-
Less unamortized underwriters discount	(20,796)	-	1,371	(19,425)	-
FLGFC Note Payable	2,500,000	-	-	2,500,000	-
Promissory Note	20,611	-	(7,682)	12,929	9,016
Nonrevolving Line of Credit	-	439,139	-	439,139	-
Capital Lease Payable	<u>88,419</u>	<u>-</u>	<u>(12,596)</u>	<u>75,823</u>	<u>13,384</u>
	<u>\$ 7,023,905</u>	<u>\$ 439,139</u>	<u>\$ (128,895)</u>	<u>\$ 7,334,149</u>	<u>\$ 132,400</u>

NOTE 8 - LEASES

Capital leases

The Town previously entered into a lease agreement for financing the acquisition of a 1995 Pierce Quantum Custom Pumper for the Volunteer Fire Department in the amount of \$ 124,000. The Town is leasing the vehicle in order to sublease to the Volunteer Fire Department at \$ 10 per year. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010 were as follows:

<u>Year Ending</u> <u>September 30,</u>	
2011	\$ 18,122
2012	18,122
2013	18,122
2014	18,122
2015	<u>18,122</u>
Total minimum lease payments	90,610
Less interest portion	<u>14,787</u>
Present value of minimum lease payments	<u>\$ 75,823</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 8 - LEASES (continued)

Operating leases

During the current year, the Town renegotiated its Town Hall lease agreement with South Broward Drainage District to a month-to-month basis. For the year ended September 30, 2010, the Town paid \$ 33,697 in lease payments.

In addition, during the current year the Town entered into multiple operating lease agreements for office equipment. The agreements are payable in monthly installments of \$ 576 through March 2012.

The future minimum lease payments as of September 30, 2010 were approximately as follows:

Year Ending September 30,	Amount
2011	\$ 6,900
2012	\$ 6,900
2013	\$ 3,500
Thereafter	\$ NONE

NOTE 9 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the Town carries commercial insurance. There were no reductions in insurance coverage from coverages in the prior year. Settled claims did not exceed coverages for each of the past three years.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Agreement with Broward County for Local Police Patrol Services

The Town previously entered into an agreement with the Broward County Sheriff's Office (BSO) for local police patrol services through September 30, 2011. The Town incurred expenditures of \$ 2,087,873 for police services under this contract for the fiscal year ended September 30, 2010. The following year will not increase more than 5% over the total budgeted costs for the same items in the preceding year.

Interlocal Agreement with Broward County for Delivery of Emergency Medical and Fire Protection Services

The Town previously entered into an agreement with the Sheriff of Broward County (Sheriff) to provide emergency medical and fire protection services to the Town through September 30, 2013. On July 1, 2010, the Town and the Sheriff cancelled the agreement in effect and entered into a new agreement through September 30, 2015. The agreement may be renewed for successive five-year periods upon mutual agreement of both parties. The Town paid \$ 3,405,639 under these contracts for the fiscal year ended September 30, 2010. If the following years increase more than 5% over the prior year costs for the same items, the agreement may be terminated.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 10 - COMMITMENTS AND CONTINGENCIES (continued)

Agreement for Plans Review and Building Inspection Services

The Town extended a service agreement with a provider through September 30, 2011 for plan review and inspection services. The amount of compensation is based on rates and schedules set forth in the agreement with yearly increases equal to the consumer price index with a maximum annual increase of 3%. For the year ended September 30, 2010, the Town paid \$ 306,598 for these services.

Agreement for Development Management and Zoning Code Services

The Town previously entered into an agreement with a consultant to provide planning and zoning services on a full cost recovery fee structure. This agreement, which was set to expire October 31, 2010, was extended through April 30, 2012. For the year ended September 30, 2010, the Town paid \$ 191,939 for these services.

Agreement for Code Compliance Services

The Town previously entered into a service agreement with a provider for the provision of code compliance services. The Company will provide code compliance services and act as the Code Compliance Official of the Town. The agreement will expire in January 2012. For the year ended September 30, 2010, the Town paid \$ 197,892 for these services. Either party may terminate this agreement upon providing 90 days written notice.

Town Administration Agreement

The Town previously entered into an agreement with a Town Administrator for the administration of the Town. The agreement commenced on May 4, 2009, and has no definite term and shall continue until termination. The Town may increase the base salary and/or benefits of the Administrator based on performance and/or increases in the cost of living index.

Litigation

The Town is a defendant in various suits and claims incidental to its operations. Although the outcome of the litigation is not presently determinable, it is the opinion of the Town attorney that resolution of the matters will not have a material adverse effect on the financial condition of the Town.

Grants and Awards

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Town. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

TOWN OF SOUTHWEST RANCHES, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 11 - RETIREMENT PLANS

The Town offers a Deferred Compensation Plan to its employees. The Town has adopted the provisions of IRS Code Section 457(g) and GASB Statement No. 32, "Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans." Under these provisions, all assets and income of the Plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the Plan are not included in the Town's financial statements. The Plan is administered by the ICMA Retirement Corporation.

The Town does not provide any post-retirement benefits to its employees.

NOTE 12 - RESTATED FUND BALANCES/NET ASSETS

The beginning fund balances and net assets have been restated to include the beginning balances for the Southwest Ranches Volunteer Fire-Rescue, Inc. This entity became a blended component unit of the Town during the year ended September 30, 2010 when the Town Council became its Board of Directors. The beginning balances were restated as follows:

Fund balances:	
Beginning fund balances, October 1, 2009	\$ 4,860,123
Southwest Ranches Volunteer Fire-Rescue, Inc.	<u>38,254</u>
Beginning fund balances, as restated	<u>\$ 4,898,377</u>
Net assets:	
Beginning net assets, October 1, 2009	\$ 48,626,941
Southwest Ranches Volunteer Fire-Rescue, Inc.	<u>116,951</u>
Beginning net assets, as restated	<u>\$ 48,743,892</u>

REQUIRED SUPPLEMENTARY
INFORMATION

TOWN OF SOUTHWEST RANCHES, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 4,524,693	\$ 4,524,693	\$ 4,574,566	\$ 49,873
Utility taxes	1,114,000	1,114,000	1,094,070	(19,930)
Franchise fees	1,836,204	1,836,204	1,829,260	(6,944)
Licenses and permits	900,000	900,000	499,056	(400,944)
Intergovernmental	646,500	646,500	694,544	48,044
Charges for services	426,500	426,500	269,367	(157,133)
Fines and forfeitures	85,000	85,000	72,892	(12,108)
Physical and economic charges	95,000	95,000	325,775	230,775
Investment income	150,000	150,000	57,046	(92,954)
Miscellaneous	70,000	70,000	119,052	49,052
	<u>9,847,897</u>	<u>9,847,897</u>	<u>9,535,628</u>	<u>(312,269)</u>
EXPENDITURES:				
Current:				
General government:				
Town council	76,500	78,900	77,931	969
Town administrator	270,275	313,475	312,639	836
Finance	254,050	275,850	275,445	405
Town attorney	353,000	458,307	458,307	-
Town clerk	138,845	138,845	133,221	5,624
Administrative services	327,650	354,650	351,902	2,748
	<u>1,420,320</u>	<u>1,620,027</u>	<u>1,609,445</u>	<u>10,582</u>
Public safety:				
Police	2,087,873	2,087,873	2,087,873	-
Fire and rescue services	3,531,360	3,548,855	3,499,833	49,022
	<u>5,619,233</u>	<u>5,636,728</u>	<u>5,587,706</u>	<u>49,022</u>
Community services				
Parks and recreation	1,227,625	1,010,423	902,745	107,678
	368,344	368,344	285,500	82,844
Debt service:				
Principal	12,596	12,596	12,596	-
Interest	5,526	5,526	5,526	-
	<u>8,653,644</u>	<u>8,653,644</u>	<u>8,403,518</u>	<u>250,126</u>
Excess of revenues over expenditures				
	<u>1,194,253</u>	<u>1,194,253</u>	<u>1,132,110</u>	<u>(62,143)</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 (continued)
 For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
OTHER FINANCING USES:				
Transfers out	(1,042,483)	(1,042,483)	(1,042,483)	-
Total other financing uses	(1,042,483)	(1,042,483)	(1,042,483)	-
Net change in fund balance	133,648	151,770	89,627	(62,143)
FUND BALANCE, BEGINNING OF YEAR	2,003,512	2,003,512	2,003,512	-
FUND BALANCE, END OF YEAR	\$ 2,137,160	\$ 2,155,282	\$ 2,093,139	\$ (62,143)

The accompanying notes to budgetary schedule are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
 BUDGETARY COMPARISON SCHEDULE -
 TRANSPORTATION FUND
 For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Intergovernmental:				
Local option gas tax	\$ 145,000	\$ 134,802	\$ 147,361	\$ 12,559
State revenue sharing	50,000	44,654	48,423	3,769
Grants	-	320,903	182,022	(138,881)
Investment income	-	-	3,002	3,002
	<u>195,000</u>	<u>500,359</u>	<u>380,808</u>	<u>(119,551)</u>
Total revenues				
EXPENDITURES:				
Current:				
Roadways	595,000	1,324,898	856,243	468,655
Debt service:				
Fiscal charges	-	14,600	14,600	-
	<u>595,000</u>	<u>1,339,498</u>	<u>870,843</u>	<u>468,655</u>
Total expenditures				
Deficiency of revenues over expenditures	<u>(400,000)</u>	<u>(839,139)</u>	<u>(490,035)</u>	<u>349,104</u>
OTHER FINANCING SOURCES:				
Loan proceeds	-	439,139	439,139	-
Transfers in	400,000	400,000	400,000	-
	<u>400,000</u>	<u>839,139</u>	<u>839,139</u>	<u>-</u>
Total other financing sources				
Net change in fund balance	-	-	349,104	349,104
FUND BALANCE, BEGINNING OF YEAR				
	<u>298,154</u>	<u>298,154</u>	<u>298,154</u>	<u>-</u>
FUND BALANCE, END OF YEAR				
	<u>\$ 298,154</u>	<u>\$ 298,154</u>	<u>\$ 647,258</u>	<u>\$ 349,104</u>

The accompanying notes to budgetary schedule are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
September 30, 2010

The Town follows the procedures below in establishing the budgetary data reflected in the accompanying financial statements.

A. Budgets and Budgetary Accounting

- a. Prior to September 1, the Town Administrator submits to the Town Council a proposed operating budget for the ensuing fiscal year, commencing October 1. The operating budget includes proposed expenditures and the means of funding them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. Upon request of the Town Administrator, the Town Council, in the form of a resolution, may amend the budget, make changes between funds or from a reserve, and increase or decrease a fund. The Town Administrator may make changes within a department. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations.
- e. Annual appropriated budgets are adopted for the General Fund, the Transportation Fund (a special revenue fund), Debt Service Fund and Capital Project Fund on a basis consistent with accounting principles generally accepted in the United States of America. The Volunteer Fire Department Fund did not have a legally adopted budget for the year ended September 30, 2010.
- f. The reported budgetary data represents the final approved budget after amendments adopted by the Town Council.

B. Excess of Expenditures over Appropriations

Expenditures exceeded the budget in the Debt Service Fund when interest and fiscal charges exceeded the budget by \$ 9,967.

**OTHER
FINANCIAL INFORMATION**

TOWN OF SOUTHWEST RANCHES, FLORIDA
 BUDGETARY COMPARISON SCHEDULE -
 DEBT SERVICE FUND
 For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Investment income	\$ 15,000	\$ 15,000	\$ 25,020	\$ 10,020
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>25,020</u>	<u>10,020</u>
EXPENDITURES:				
Debt service:				
Principal	105,000	105,000	105,000	-
Interest and fiscal charges	<u>260,000</u>	<u>260,000</u>	<u>269,967</u>	<u>(9,967)</u>
Total expenditures	<u>365,000</u>	<u>365,000</u>	<u>374,967</u>	<u>(9,967)</u>
Excess (deficiency) of revenues over expenditures	<u>(350,000)</u>	<u>(350,000)</u>	<u>(349,947)</u>	<u>53</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	500,250	500,250	500,250	-
Transfers out	<u>-</u>	<u>(1,903,656)</u>	<u>(1,903,656)</u>	<u>-</u>
Total other financing sources (uses)	<u>500,250</u>	<u>(1,403,406)</u>	<u>(1,403,406)</u>	<u>-</u>
Net change in fund balance	150,250	(1,753,406)	(1,753,353)	53
FUND BALANCE, BEGINNING OF YEAR	<u>2,281,595</u>	<u>2,281,595</u>	<u>2,281,595</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,431,845</u>	<u>\$ 528,189</u>	<u>\$ 528,242</u>	<u>\$ 53</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
 BUDGETARY COMPARISON SCHEDULE -
 CAPITAL PROJECTS FUND
 For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Miscellaneous	\$ 27,400	\$ 27,400	\$ 25,000	\$ (2,400)
Investment income	-	-	5,004	5,004
Total revenues	<u>27,400</u>	<u>27,400</u>	<u>30,004</u>	<u>2,604</u>
EXPENDITURES:				
Current:				
Capital outlay	<u>107,400</u>	<u>2,011,056</u>	<u>1,995,407</u>	<u>15,649</u>
Total expenditures	<u>107,400</u>	<u>2,011,056</u>	<u>1,995,407</u>	<u>15,649</u>
Excess (deficiency) of revenues over expenditures	<u>(80,000)</u>	<u>(1,983,656)</u>	<u>(1,965,403)</u>	<u>18,253</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>80,000</u>	<u>1,983,656</u>	<u>1,983,656</u>	<u>-</u>
Total other financing sources	<u>80,000</u>	<u>1,983,656</u>	<u>1,983,656</u>	<u>-</u>
Net change in fund balance	-	-	18,253	18,253
FUND BALANCE, BEGINNING OF YEAR	<u>276,862</u>	<u>276,862</u>	<u>276,862</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 276,862</u>	<u>\$ 276,862</u>	<u>\$ 295,115</u>	<u>\$ 18,253</u>

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATISTICAL SECTION
For the Year Ended September 30, 2010

CONTENTS	<u>PAGES</u>
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the Town's financial performance and condition have changed over time.	43-50
REVENUE CAPACITY	
These schedules contain information to help the reader assess the Town's most significant local revenue source - the property tax.	51-54
DEBT CAPACITY	
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	55-59
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	60-61
OPERATING INFORMATION	
These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.	62-64

TOWN OF SOUTHWEST RANCHES, FLORIDA
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities:				
Invested in capital assets, net of related debt	\$ 3,433,636	\$ 3,515,277	\$ 11,367,768	\$ 38,284,247
Restricted	240,357	392,119	180,820	80,406
Unrestricted	<u>879,925</u>	<u>4,465,382</u>	<u>5,122,974</u>	<u>6,735,512</u>
Total governmental activities net assets	<u>\$ 4,553,918</u>	<u>\$ 8,372,778</u>	<u>\$ 16,671,562</u>	<u>\$ 45,100,165</u>
Business-type activities:				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government:				
Invested in capital assets, net of related debt	\$ 3,433,636	\$ 3,515,277	\$ 11,367,768	\$ 38,284,247
Restricted	240,357	392,119	180,820	80,406
Unrestricted	<u>879,925</u>	<u>4,465,382</u>	<u>5,122,974</u>	<u>6,735,512</u>
Total primary government net assets	<u>\$ 4,553,918</u>	<u>\$ 8,372,778</u>	<u>\$ 16,671,562</u>	<u>\$ 45,100,165</u>

Note: The Town implemented GASB 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

Table 1

Fiscal Year				
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 40,644,914	\$ 41,185,533	\$ 44,125,155	\$ 43,824,944	\$ 44,607,660
140,535	99,855	215,354	315,335	728,064
<u>6,324,451</u>	<u>6,234,847</u>	<u>5,008,737</u>	<u>4,486,662</u>	<u>2,816,197</u>
<u>\$ 47,109,900</u>	<u>\$ 47,520,235</u>	<u>\$ 49,349,246</u>	<u>\$ 48,626,941</u>	<u>\$ 48,151,921</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,555</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,555</u>
\$ 40,644,914	\$ 41,185,533	\$ 44,125,155	\$ 43,824,944	\$ 44,607,660
140,535	99,855	215,354	315,335	728,064
<u>6,324,451</u>	<u>6,234,847</u>	<u>5,008,737</u>	<u>4,486,662</u>	<u>3,060,752</u>
<u>\$ 47,109,900</u>	<u>\$ 47,520,235</u>	<u>\$ 49,349,246</u>	<u>\$ 48,626,941</u>	<u>\$ 48,396,476</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2002	2003	2004	2005
EXPENSES:				
Governmental activities:				
General government	\$ 877,242	\$ 392,119	\$ 835,810	\$ 1,783,732
Public safety	1,947,075	-	2,111,633	2,271,390
Community services	687,405	-	1,023,169	1,018,218
Public works	135,620	-	938,493	1,992,753
Parks and recreation	2,959	-	132,391	240,120
Roadways	-	4,465,382	-	-
Nondepartmental	28,131	-	140,085	262,431
Interest and other debt service costs	258,654	-	394,403	431,092
Total governmental activities expenses	\$ 3,937,086	\$ 4,857,501	\$ 5,575,984	\$ 7,999,736
Business-type activities:				
Solid waste	\$ -	\$ -	\$ -	\$ -
Total business-type activities expenses	-	-	-	-
Total expenses	\$ 3,937,086	\$ 4,857,501	\$ 5,575,984	\$ 7,999,736
PROGRAM REVENUES:				
Governmental activities:				
Charges for services				
General government	\$ 270,239	\$ -	\$ -	\$ -
Public safety	525,240	499,817	510,517	513,438
Community services	-	234,345	354,718	296,036
Parks and recreation	-	-	-	-
Public works	-	728,150	588,690	613,610
Operating grants and contributions	-	-	-	1,044,829
Capital grants and contributions	-	-	7,967,899	9,932,927
Total governmental activities program revenues	\$ 795,479	\$ 1,462,312	\$ 9,421,824	\$ 12,400,840
Business-type activities:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total business-type activities program revenues	-	-	-	-
Total program revenues	\$ -	\$ -	\$ -	\$ -
NET REVENUES (EXPENSES):				
Governmental activities	\$ (3,141,607)	\$ (3,395,189)	\$ 3,845,840	\$ 4,401,104
Business-type activities	-	-	-	-
Total net revenues (expenses)	\$ (3,141,607)	\$ (3,395,189)	\$ 3,845,840	\$ 4,401,104
GENERAL REVENUES AND OTHER				
CHANGES IN NET ASSETS:				
Governmental activities:				
Property taxes	\$ 1,801,116	\$ 1,956,415	\$ 2,122,694	\$ 2,503,780
Utility taxes	620,734	657,677	479,391	496,246
Franchise taxes	351,056	391,293	542,625	667,075
Intergovernmental, unrestricted	768,905	665,240	956,848	(261,264)
Investment income	104,542	143,596	351,386	455,003
Miscellaneous	-	-	-	-
Special item, gain on sale of land held for investment	-	-	-	-
Extraordinary item, impairment of asset	-	-	-	-
Total governmental activities general revenues and other changes in net assets	\$ 3,646,353	\$ 3,814,221	\$ 4,452,944	\$ 3,860,840
Business-type activities:				
Investment income	\$ -	\$ -	\$ -	\$ -
Total business-type activities	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET ASSETS:				
Governmental activities	\$ 504,746	\$ 419,032	\$ 8,298,784	\$ 8,261,944
Business-type activities	-	-	-	-
Total change in net assets	\$ 504,746	\$ 419,032	\$ 8,298,784	\$ 8,261,944

Note 1: The Town implemented GASB 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

Table 2

Fiscal Year					
	2006	2007	2008	2009	2010
\$	1,407,916	\$ 1,635,441	\$ 1,516,047	\$ 1,380,331	\$ 1,624,918
	2,466,655	2,516,793	3,610,699	5,609,400	6,207,667
	1,200,384	1,796,043	2,036,933	1,446,553	1,313,271
	1,269,187	1,089,096	1,640,272	1,900,861	-
	484,684	430,541	507,966	502,143	387,510
	12,107,067	326,384	261,536	253,394	751,754
	29,897	33,204	-	-	-
	632,381	498,034	340,250	280,961	286,467
\$	<u>19,598,171</u>	<u>8,325,536</u>	<u>9,913,703</u>	<u>11,373,643</u>	<u>10,571,587</u>
\$	-	-	-	-	1,417,368
	-	-	-	-	1,417,368
\$	<u>19,598,171</u>	<u>8,325,536</u>	<u>9,913,703</u>	<u>11,373,643</u>	<u>11,988,955</u>
\$	239,541	\$ 288,755	\$ 116,332	\$ 142,592	\$ 155,437
	1,006,275	609,733	1,044,649	1,100,308	1,527,184
	306,516	860,578	942,262	1,024,625	801,244
	291,084	133,980	50,925	1,645	-
	651,572	628,844	1,296,891	1,303,431	-
	10,414,610	188,280	1,899,800	196,192	269,781
	603,445	93,628	116,152	11,342	280,521
\$	<u>13,513,043</u>	<u>2,803,798</u>	<u>5,467,011</u>	<u>3,780,135</u>	<u>3,034,167</u>
\$	-	-	-	-	1,651,805
	-	-	-	-	1,651,805
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,685,972</u>
\$	(6,085,128)	\$ (5,521,738)	\$ (4,446,692)	\$ (7,593,508)	\$ (7,537,420)
	-	-	-	-	234,437
\$	<u>(6,085,128)</u>	<u>(5,521,738)</u>	<u>(4,446,692)</u>	<u>(7,593,508)</u>	<u>(7,302,983)</u>
\$	2,969,270	\$ 3,488,788	\$ 3,920,509	\$ 4,527,435	\$ 4,574,566
	521,151	583,190	589,629	593,394	659,884
	808,273	853,267	1,046,849	1,167,851	1,005,629
	652,622	583,506	552,210	546,154	547,048
	227,190	300,938	141,347	53,342	90,149
	9,693	132,727	25,159	43,700	68,173
	2,906,664	-	-	-	-
	-	-	-	(60,676)	-
\$	<u>8,094,863</u>	<u>5,942,416</u>	<u>6,275,703</u>	<u>6,871,200</u>	<u>6,945,449</u>
\$	-	-	-	-	10,118
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,118</u>
\$	2,009,735	\$ 420,678	\$ 1,829,011	\$ (722,308)	\$ (591,971)
	-	-	-	-	244,555
\$	<u>2,009,735</u>	<u>420,678</u>	<u>1,829,011</u>	<u>(722,308)</u>	<u>(347,416)</u>

* In fiscal year 2006 roadways and hurricane-related expenses and grants show significant increases due to cleanup and repair costs resulting from Hurricanes Katrina and Wilma and related reimbursements from Federal and state sources.

TOWN OF SOUTHWEST RANCHES, FLORIDA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
GENERAL FUND:				
Reserved	\$ -	\$ 1,310,245	\$ 492,944	\$ 1,115,853
Unreserved	<u>723,900</u>	<u>941,996</u>	<u>2,349,106</u>	<u>3,216,108</u>
Total General Fund	<u>\$ 723,900</u>	<u>\$ 2,252,241</u>	<u>\$ 2,842,050</u>	<u>\$ 4,331,961</u>
 ALL OTHER GOVERNMENTAL FUNDS:				
Reserved	\$ 187,513	\$ 240,357	\$ 2,070,151	\$ 946,754
Unreserved, reported in:				
Special Revenue Funds	-	-	-	83,710
Capital Projects Funds	-	-	-	-
Debt Service Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 187,513</u>	<u>\$ 240,357</u>	<u>\$ 2,070,151</u>	<u>\$ 1,030,464</u>

Table 3

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 592,440	\$ 286,878	\$ 226,480	\$ 249,718	\$ 186,184	\$ 182,955
<u>4,354,075</u>	<u>2,136,993</u>	<u>2,394,680</u>	<u>2,175,366</u>	<u>1,817,328</u>	<u>1,910,184</u>
<u>\$ 4,946,515</u>	<u>\$ 2,423,871</u>	<u>\$ 2,621,160</u>	<u>\$ 2,425,084</u>	<u>\$ 2,003,512</u>	<u>\$ 2,093,139</u>
\$ 1,899,795	\$ -	\$ -	\$ -	\$ -	\$ 30,281
26,166	140,535	99,855	215,354	298,154	680,602
-	307,120	171,502	376,340	276,862	270,115
<u>-</u>	<u>4,000,000</u>	<u>3,537,227</u>	<u>2,265,093</u>	<u>2,281,595</u>	<u>528,242</u>
<u>\$ 1,925,961</u>	<u>\$ 4,447,655</u>	<u>\$ 3,808,584</u>	<u>\$ 2,856,787</u>	<u>\$ 2,856,611</u>	<u>\$ 1,509,240</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
REVENUES:				
Ad valorem taxes	\$ 2,147,639	\$ 1,801,116	\$ 1,956,415	\$ 2,122,694
Utility taxes	402,890	620,734	657,677	613,281
Franchise fees	351,016	832,434	1,582,039	1,473,785
Licenses and permits	130,123	270,239	234,345	354,718
Intergovernmental	810,224	768,905	665,240	956,848
Charges for services	-	-	-	-
Fines and forfeitures	15,015	43,862	37,221	34,157
Physical and economic charges	-	-	-	-
Grants	-	683,772	3,125,694	7,637,359
Investment income	35,669	53,034	84,326	46,755
Donated property	-	-	-	-
Sale of trees	-	-	-	-
Miscellaneous	28,204	47,350	59,270	304,631
	<u>3,920,780</u>	<u>5,121,446</u>	<u>8,402,227</u>	<u>13,544,228</u>
EXPENDITURES:				
Current:				
General government	592,945	813,146	712,464	788,257
Public safety	1,840,665	1,947,075	2,024,690	2,111,633
Community services	235,900	687,405	767,903	1,023,169
Public works	14,845	135,620	614,965	938,493
Parks and recreation	46,386	-	-	46,715
Roadways and hurricane-related expenses*	-	-	-	-
Nondepartmental	58,920	28,131	54,929	106,927
Capital outlay	3,975,000	3,014,917	1,377,338	9,269,515
Debt service:				
Principal	19,868	3,780,132	90,000	7,213,000
Interest and fiscal charges	24,838	198,399	340,335	427,248
	<u>6,809,367</u>	<u>10,604,825</u>	<u>5,982,624</u>	<u>21,924,957</u>
Excess (deficiency) of revenues over expenditures	<u>(2,888,587)</u>	<u>(5,483,379)</u>	<u>2,419,603</u>	<u>(8,380,729)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from borrowings	3,800,000	7,068,216	-	7,735,000
Transfers in	-	-	-	8,736,201
Transfers out	-	-	-	(7,640,248)
Insurance proceeds	-	-	-	-
Special item, proceeds from sale of land held for investment	-	-	-	-
	<u>3,800,000</u>	<u>7,068,216</u>	<u>-</u>	<u>8,830,953</u>
Net change in fund balances \$	<u>911,413</u>	<u>\$ 1,584,837</u>	<u>\$ 2,419,603</u>	<u>\$ 450,224</u>
Debt service as a percentage of noncapital expenditures	1.58%	52.42%	9.34%	60.37%

Table 4

		Fiscal Year									
		2005	2006	2007	2008	2009	2010				
\$	2,503,780	\$	2,969,270	\$	3,488,788	\$	3,920,509	\$	4,527,435	\$	4,574,566
	726,384		774,202		817,053		944,019		1,126,386		1,094,070
	1,535,458		1,681,917		1,757,981		3,033,999		2,961,462		1,829,260
	296,036		306,517		860,578		758,289		757,059		499,056
	783,565		861,911		769,933		729,245		742,348		1,072,350
	-		-		-		-		77,139		269,367
	28,527		37,095		40,416		39,912		73,595		72,892
	-		500,000		100,000		-		-		325,775
	9,932,927		10,458,766		93,628		1,838,916		11,342		-
	154,437		227,190		300,938		141,347		53,342		90,149
	-		350,000		-		-		-		-
	-		291,084		133,980		50,925		1,645		-
	300,566		243,290		382,919		285,552		380,263		152,132
	<u>16,261,680</u>		<u>18,701,242</u>		<u>8,746,214</u>		<u>11,742,713</u>		<u>10,712,016</u>		<u>9,979,617</u>
	1,274,071		2,879,193		2,156,924		1,487,226		1,374,958		1,609,445
	2,271,390		2,463,714		2,513,851		3,595,357		5,579,359		5,641,271
	1,018,218		1,200,384		1,796,043		2,036,933		1,446,553		902,745
	1,992,753		798,002		613,822		1,164,999		1,425,587		-
	83,528		669,365		256,775		333,343		326,710		285,500
	-		12,107,067		326,384		261,536		253,394		856,243
	202,414		29,897		33,204		-		-		-
	10,364,292		1,207,509		408,574		561,314		392,465		2,002,944
	6,111,000		12,121,000		702,568		3,106,158		111,855		125,278
	493,963		632,725		503,851		343,720		283,248		291,328
	<u>23,811,629</u>		<u>34,108,856</u>		<u>9,311,996</u>		<u>12,890,586</u>		<u>11,194,129</u>		<u>11,714,754</u>
	<u>(7,549,949)</u>		<u>(15,407,614)</u>		<u>(565,782)</u>		<u>(1,147,873)</u>		<u>(482,113)</u>		<u>(1,735,137)</u>
	9,060,000		12,500,000		124,000		-		-		439,139
	6,887,473		1,853,858		1,163,929		1,285,562		713,259		2,946,139
	(6,887,473)		(1,853,858)		(1,163,929)		(1,285,562)		(713,259)		(2,946,139)
	-		-		-		-		60,365		-
	-		2,906,664		-		-		-		-
	<u>9,060,000</u>		<u>15,406,664</u>		<u>124,000</u>		<u>-</u>		<u>60,365</u>		<u>439,139</u>
\$	<u>1,510,051</u>	\$	<u>(950)</u>	\$	<u>(441,782)</u>	\$	<u>(1,147,873)</u>	\$	<u>(421,748)</u>	\$	<u>(1,295,998)</u>
	49.12%		38.76%		14.46%		27.98%		3.66%		4.58%

* In fiscal year 2006 roadways and hurricane-related expenses and grants show significant increases due to cleanup and repair costs resulting from Hurricanes Katrina and Wilma and related reimbursements from Federal and state sources.

TOWN OF SOUTHWEST RANCHES, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Table 5

Fiscal Year	Real Property			Other *	Less: Tax Exemptions	Total Taxable Assessed Value	City Direct Tax Rate	Estimated Actual Taxable Value	Total Assessed Value as a Percentage of Taxable Value
	Residential Property	Commercial Property	Agricultural Property						
2001	\$ 502,619,460	\$ 25,967,180	\$ 26,495,060	\$ 62,893,220	\$ 87,165,070	\$ 530,809,850	3.8933	\$ 719,633,840	73.76%
2002	551,483,070	33,787,570	27,752,980	62,023,510	88,930,980	586,116,150	3.0000	816,123,530	71.82%
2003	585,048,740	36,834,000	34,310,920	75,192,820	95,548,810	635,837,670	3.0000	918,699,250	69.21%
2004	662,758,600	36,289,080	41,327,320	81,646,430	104,762,670	717,258,760	3.0000	1,110,938,100	64.56%
2005	756,171,580	42,443,670	52,954,300	95,855,510	114,463,270	832,961,790	3.0000	1,409,526,290	59.10%
2006	870,957,250	43,611,080	77,048,140	120,602,350	132,610,750	979,608,070	3.0000	1,744,136,030	56.17%
2007	1,035,199,580	42,806,840	92,866,510	165,784,980	160,240,810	1,176,417,100	3.0000	2,193,486,030	53.63%
2008	1,133,026,110	48,149,810	113,362,770	174,232,920	171,546,310	1,297,225,300	3.0000	2,503,738,910	51.81%
2009	1,200,693,110	49,966,330	129,990,160	158,761,040	240,605,870	1,298,804,770	3.5000	2,451,643,250	52.98%
2010	1,067,522,270	59,293,720	124,650,020	165,161,070	257,717,700	1,158,909,380	3.9404	2,082,541,240	55.65%

Source: Broward County Property Appraiser's Office

* Other includes: industrial, institutional, government, miscellaneous and non-agricultural acreage.

**TOWN OF SOUTHWEST RANCHES, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Table 6

Fiscal Year	Overlapping County District Rates											
	Town		Town Debt Service Millage		Total Direct Rate	South					South Broward Hospital District	
	Operating Millage					Broward County	Broward School District	Florida Water Management District	Florida Inland Navigation District	Child Services Council		
2001	\$ 3.8933	\$ -	\$ 3.8933	\$ 7.5250	\$ 8.9553	\$ 0.6970	\$ 0.0410	\$ -	\$ 1.9939			
2002	3.0000	-	3.0000	7.4005	8.7541	0.6970	0.0385	0.3055	1.8694			
2003	3.0000	-	3.0000	7.3650	8.8825	0.6970	0.0385	0.3316	1.7336			
2004	3.0000	-	3.0000	7.1880	8.4176	0.6970	0.0385	0.3920	1.7336			
2005	3.0000	-	3.0000	7.0230	8.2695	0.6970	0.0385	0.4231	1.5761			
2006	3.0000	-	3.0000	6.7830	8.0623	0.6970	0.0385	0.4231	1.4500			
2007	3.0000	-	3.0000	6.0661	7.8687	0.6970	0.0385	0.4073	1.3300			
2008	3.0000	-	3.0000	5.2868	7.6484	0.6240	0.0345	0.3572	1.1643			
2009	3.5000	-	3.5000	5.3145	7.4170	0.6240	0.0345	0.3754	1.1913			
2010	3.9400	-	3.9400	5.3889	7.4310	0.6240	0.0345	0.4243	1.2732			

Source: Broward County Property Appraiser's Office

Note: All rates are per \$ 1,000 of assessed taxable value.

TOWN OF SOUTHWEST RANCHES, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND SIX YEARS AGO

Table 7

Taxpayer	2010			2004		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Florida Power and Light Co.	\$ 37,597,717	1	3.24%	\$ 28,599,855	1	3.99%
Lowes Home Centers, Inc.	15,394,000	2	1.33%	15,579,200	2	2.17%
U.S. Retail Income Fund VLP	15,426,720	3	1.33%	7,332,730	5	1.02%
Landmark Custom Ranches, LLC	7,548,440	4	0.65%	13,177,420	3	1.84%
Raymond and Baidwatte Moses	4,922,800	5	0.42%	-	-	-
YSI XXXIX LLC	4,825,700	6	0.41%	-	-	-
Nathan and Jacqueline Finkel	4,667,360	7	0.40%	3,274,250	7	0.46%
MGT Southwest Ranches, LLC	3,809,050	8	0.33%	-	-	-
Levine, Susan	3,639,500	9	0.31%	-	-	-
Wayne, Peta Gay & Reginald D	3,673,720	10	0.32%	-	-	-
Stone Creek at Sunshine Ranches, LLC	-	-	-	3,189,290	9	0.44%
Republica Musicana, Inc.	-	-	-	4,287,250	6	0.60%
Tom and Denise Foley	-	-	-	3,267,080	8	0.46%
SCI Funeral Services of Florida, Inc.	-	-	-	8,544,320	4	1.19%
Edward and Mary Lieberman	-	-	-	3,183,910	10	0.44%
Total	\$ 101,505,007		8.75%	\$ 90,435,305		12.61%

Source: Broward County Revenue Collector's Office

Note: Information prior to 2004 not available.

**TOWN OF SOUTHWEST RANCHES, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 2,582,462	\$ 2,222,444	86.06%	*	\$ 2,222,444	86.08%
2002	1,866,024	1,854,513	99.38%	*	1,854,513	99.38%
2003	1,989,269	1,989,269	100.00%	*	1,989,269	100.00%
2004	2,257,314	2,257,314	100.00%	*	2,257,314	100.00%
2005	2,616,800	2,592,473	99.07%	*	2,592,473	99.07%
2006	3,056,742	3,056,846	100.00%	*	3,056,846	100.00%
2007	3,651,838	3,634,344	99.52%	*	3,634,344	99.52%
2008	4,033,970	4,031,568	99.94%	*	4,031,568	99.94%
2009	4,656,926	4,656,926	100.00%	*	4,656,926	100.00%
2010	4,777,532	4,547,332	95.18%	*	4,547,332	95.18%

Source: Broward County Property Appraiser's Office

* Information is not available

TOWN OF SOUTHWEST RANCHES, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 9

Fiscal Year	Governmental Activities										Total Primary Government	Percentage of Personal Income (1)	Per Capital	
	General Obligation Bonds	Florida Municipal Loan Council Revenue Bonds	Florida Local Government Finance Commission Loans	Bank Notes	Capital Leases	Bank Notes	Capital Leases	Florida Municipal Loan Council Revenue Bonds	Florida Local Government Finance Commission Loans	Bank Notes				Capital Leases
2001	\$ -	\$ -	\$ -	\$ 3,780,132	\$ -	\$ -	\$ -	\$ -	\$ 3,780,132	\$ -	\$ -	\$ 3,780,132	0.0072%	\$ 526
2002	-	5,095,594	-	2,000,000	-	-	-	-	2,000,000	-	-	7,095,594	0.0129%	965
2003	-	5,090,605	-	2,000,000	-	-	-	-	2,000,000	-	-	7,090,605	0.0126%	956
2004	-	4,915,616	2,602,000	-	-	-	-	-	-	-	-	7,517,616	0.0125%	1,010
2005	-	4,825,627	5,036,000	600,000	-	-	-	-	600,000	-	-	10,461,627	0.0160%	1,405
2006	-	4,735,638	5,500,000	600,000	-	-	-	-	600,000	-	-	10,835,638	0.0154%	1,461
2007	-	4,640,649	5,500,000	-	111,432	-	-	-	-	111,432	-	10,252,081	0.0142%	1,212
2008	-	4,540,660	2,500,000	-	100,274	-	-	-	-	100,274	-	7,140,934	0.0097%	841
2009	-	4,435,671	2,500,000	-	88,419	-	-	-	-	88,419	-	7,024,090	(2)	820
2010	-	4,306,257	2,500,000	452,069	75,823	-	-	-	452,069	75,823	-	7,334,149	(2)	851

Source: Estimated population provided by Florida Legislative Committee on Intergovernmental Relations.

(1) The percentage of personal income is based on personal income for Broward County since personal income for Town of Southwest Ranches is not available.

(2) Information unavailable

**TOWN OF SOUTHWEST RANCHES, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST NINE FISCAL YEARS**

Table 10

Fiscal Year Ended September 30,	Florida Municipal Loan Council Revenue Bonds	Florida Local Government Finance Commission Loans	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2002	\$ 5,095,594	\$ -	\$ 5,095,594	0.62%	\$ 693
2003	5,090,605	-	5,090,605	0.55%	687
2004	4,915,616	2,602,000	7,517,616	0.68%	1,010
2005	4,825,627	5,036,000	9,861,627	0.70%	1,324
2006	4,735,638	5,500,000	10,235,638	0.59%	1,380
2007	4,640,349	5,500,000	10,140,349	0.46%	1,199
2008	4,540,660	2,500,000	7,040,660	0.28%	829
2009	4,435,671	2,500,000	6,935,671	0.28%	807
2010	4,306,257	2,500,000	6,806,257	0.33%	790

Note: Details regarding the Town's outstanding debt can be found in the note to the financial statements.
Detail for 2001 is not available.

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 51 for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 60 for population data.

TOWN OF SOUTHWEST RANCHES, FLORIDA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 September 30, 2010
 (Dollars in thousands)

Table 11

	<u>Direct Debt Outstanding</u>	<u>Estimated Percentage Applicable to Southwest Ranches *</u>	<u>Estimated Amount Applicable to Southwest Ranches</u>
GOVERNMENT UNIT:			
Broward County	\$ 393,274	1.31%	\$ 5,148
Broward School District	1,986,773	1.31%	<u>26,008</u>
Total direct and overlapping debt			\$ <u><u>31,156</u></u>

Sources: Broward County CAFR and Broward County School District CAFR.

* Assessed taxable property value data used to estimate applicable percentages was provided by Broward County Property Appraiser.

TOWN OF SOUTHWEST RANCHES, FLORIDA
LEGAL DEBT MARGIN INFORMATION
September 30, 2010

Table 12

The Town Charter does not set a debt limit.

TOWN OF SOUTHWEST RANCHES, FLORIDA
PLEDGED REVENUE COVERAGE
September 30, 2010

Table 13

From 2004 through 2010, the Town did not have any long-term debt backed by pledged revenues. Detail prior to 2004 is not available.

TOWN OF SOUTHWEST RANCHES, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 14

<u>Calendar Year</u>	<u>Town of Southwest Ranches Population</u>	<u>Broward County Population</u>	<u>Broward County Personal Income *</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2001	7,192	1,649,925	\$ 52,614,372	\$ 27,982	6.4%
2002	7,352	1,709,155	54,850,632	29,409	6.0%
2003	7,415	1,740,792	56,254,396	31,785	5.9%
2004	7,443	1,723,131	60,265,418	32,844	4.5%
2005	7,447	1,765,855	65,213,329	34,560	3.5%
2006	7,415	1,793,998	70,454,147	37,403	3.1%
2007	8,461	1,759,591	71,994,871	39,743	3.4%
2008	8,489	1,756,087	73,591,000	41,169	5.2%
2009	8,570	1,744,590	(1)	41,974	9.5%
2010	8,619	1,754,893	(1)	(1)	10.1%

Sources: Town of Southwest Ranches population obtained from Florida Legislative Committee on Intergovernmental Relations. Broward County population, personal income, per capita personal income and unemployment rate obtained from School Board of Broward County, Florida CAFR.

Note: Personal income data represents Broward County, Florida since Town data is not available.

* Personal income in thousands of dollars.

(1) Information unavailable

TOWN OF SOUTHWEST RANCHES, FLORIDA
 PRINCIPAL EMPLOYERS
 Current Year and Three Years Ago

Table 15

2010		2007	
Number of Employees	Employer	Estimated Number of Employees	Employer
130	Lowe's Home Centers, Inc.	100-150	Lowe's Home Centers, Inc.
110	Publix Supermarkets		Publix Supermarkets
78	Archbishop McCarthy High School		
50	Applebee's Neighborhood Grill	50-75	Applebee's Neighborhood Grill
46	McDonald's		McDonald's
40	Apple Montessori School		Apple Montessori School
36	Romeus Cuban Restaurant		
30	Original Pancake House	10-49	Romeus Cuban Restaurant
22	Starbucks Coffee Company		Starbucks Coffee Company
17	Walgreens		Original Pancake House
			Rotelli Restaurant
			Blockbuster Video

Note: Little reliable data currently exists on employment within the Town of Southwest Ranches. The above estimates were compiled by the Town's Community Services Department. Information prior to 2007 is not available.

**TOWN OF SOUTHWEST RANCHES, FLORIDA
 FULL-TIME EQUIVALENT CITY GOVERNMENT
 EMPLOYEES BY FUNCTION/PROGRAM
 LAST EIGHT FISCAL YEARS**

Table 16

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
CITY COMMISSION	5	5	5	5	5	5	5	5
GENERAL GOVERNMENT								
City management	-	-	-	-	3	3	3	6
Community services *	4	4	6	5	4	3	4	6
CONTRACTED EMPLOYEES								
General government:								
Management services	3	4	5	5	4	4	5	4
Fire rescue	3	3	3	3	3	3	12	12
Emergency medical services	2	3	3	3	3	3	9	9
Police protection	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>13</u>	<u>15</u>	<u>15</u>	<u>15</u>
Total	<u><u>28</u></u>	<u><u>30</u></u>	<u><u>33</u></u>	<u><u>32</u></u>	<u><u>35</u></u>	<u><u>36</u></u>	<u><u>53</u></u>	<u><u>57</u></u>

Source: Town of Southwest Ranches Community Services Department

Note: Information prior to 2003 is not available.

* Community services includes parks and recreation, community development and public works.

**TOWN OF SOUTHWEST RANCHES, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS**

Table 17

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010
GENERAL GOVERNMENT:								
Building permits issued by:								
Broward County (1)	-	-	1,032	2,203	762	-	-	-
CAP Government Services, Inc. (3)	-	-	-	-	466	473	540	321
Total building permits	-	-	1,032	2,203	1,228	473	540	321
Building inspections conducted by:								
Broward County:								
Electrical (1)	855	952	1,067	929	1,083	*	*	*
Mechanical (1)	252	253	234	205	191	*	*	*
Plumbing (1)	791	840	771	756	668	*	*	*
Structural (1)	2,784	2,663	2,341	4,208	2,547	*	*	*
Other (1)	172	139	103	89	150	*	*	*
CAP Government Services, Inc. (3)	-	-	-	-	3,300	*	3,256	2,798
Total building inspections	4,854	4,847	4,516	6,187	7,939	*	*	*
Occupational licenses (6)	*	*	*	*	*	335	*	*
Certificates of use (6)	6	26	31	35	23	33	20	28
FIRE:								
Emergency responses (4)	785	425	362	354	265	228	739	779
Inspections	*	*	*	*	*	*	30	55
POLICE:								
Physical arrests (2)	420	297	262	375	207	183	126	112
Parking violations (2)	40	32	61	19	9	12	10	9
Traffic violations (2)	2,852	2,962	2,561	2,618	2,564	2,839	2,779	2,192
REFUSE COLLECTION:								
Refuse collected (tons per day) (5)	*	30.00	51.00	63.60	** 7.70	14.72	36.40	11.60
Recyclables collected (tons per day) (5)	1.46	1.49	1.37	1.02	** 0.67	2.84	2.35	5.44
Bulk collected (tons per day) (5)	*	7.80	20.00	25.20	** 15.00	61.77	65.75	82.56
OTHER PUBLIC WORKS:								
Street resurfacing (in miles) (5)	-	-	-	0.5	-	-	0.50	6.00
Potholes repaired (5)	360	360	360	360	360	360	360	400
WATER:								
New connections (7)	3	5	6	2	4	10	2	2
Average daily consumption (thousands of gallons) (7)	0.3	1.2	3.6	4	5.5	8.75	9.85	10.83
Peak monthly consumption (thousands of gallons) (7)	82	80	209	175	247	396	425	479

Note: The Town's residents obtain their water supply from wells and septic tanks except for certain residents who have privately connected with the City of Sunrise. Information prior to 2003 is not available.

* Information is not available.

** Figures for 2007 are from October 2006 through April 2007.

(1) Information provided by Broward County.

(2) Information provided by Broward County Sheriff's Office.

(3) Information provided by CAP Government Services, Inc.

(4) Information provided by Broward County Sheriff's Office for western portion of Town and information for eastern portion of Town not available from Town of Davie.

(5) Information provided by Town's Public Works Department.

(6) Information provided by Broward County.

(7) Information provided by City of Sunrise Public Works.

TOWN OF SOUTHWEST RANCHES, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS

Table 18

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010
FIRE STATIONS	*	*	*	*	*	*	*	1
POLICE:								
Stations	*	*	*	*	*	*	*	*
Patrol units	11	11	11	12	15	15	15	15
REFUSE COLLECTION:								
Collection trucks	*	*	*	*	*	*	*	*
OTHER PUBLIC WORKS:								
Streets (miles)	82	82	82	82	82	82	82	82
Streetlights	**	**	**	**	**	**	**	13
Traffic signals	**	**	**	**	**	**	**	**
PARKS AND RECREATION:								
Acreage	95.40	117.40	149.01	149.01	149.01	149.01	149.01	149.01
Playgrounds	-	-	-	1	1	1	1	1
Equestrian ring	-	-	-	2	2	2	2	2
Picnic pavilion	-	-	-	1	1	1	1	1
Restroom facilities	-	-	-	1	1	1	1	1
Nature trails (miles)	-	-	-	1	1	1	1.5	1.5
Multi-use trails (miles)	-	-	4	4	12.7	17.35	17.35	17.35
WATER:								
Water mains (miles) (1)	***	***	12	12	12	12	12	12
Firewells	330	330	330	330	330	330	330	330
Lakes (acres) (2)	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Canals (miles) (3)	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0

Source: Various Town departments unless otherwise noted.

Note: Information prior to 2003 is not available.

* Contracted Service Provider.

** Only streetlights and traffic signals are on Griffin Road which is owned and maintained by Broward County.

*** Information is not available.

(1) Information provided by City of Sunrise Utilities Department. Unable to determine how many miles of water mains have been added since 2005.

(2) Information provided by South Broward Drainage District. Unable to obtain information from Central Broward Water Control District.

(3) Information provided by South Broward Drainage District and Central Broward Water Control District.

